

BEFORE THE
INDEPENDENT CITIZENS' OVERSIGHT COMMITTEE
TO THE
CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE
ORGANIZED PURSUANT TO THE
CALIFORNIA STEM CELL RESEARCH AND CURES ACT
REGULAR MEETING

LOCATION: SAN FRANCISCO AIRPORT
MARRIOTT WATERFRONT
1800 OLD BAYSHORE HIGHWAY
BURLINGAME, CALIFORNIA

DATE: THURSDAY, MARCH 10, 2011
10 A.M.

REPORTER: BETH C. DRAIN, CSR
CSR. NO. 7152

BRS FILE NO.: 88460

BARRISTERS' REPORTING SERVICE

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BARRISTERS' REPORTING SERVICE

1 SAN FRANCISCO, CALIFORNIA; MARCH 10, 2011

2 10 A.M.

3
4 CHAIRMAN KLEIN: ALL RIGHT. IF WE COULD
5 COME TO ORDER, I THINK WE HAVE A QUORUM PRESENT. WE
6 WILL DO A ROLL CALL AND CONFIRM THAT, BUT WE HAVE A
7 BUSY AGENDA TODAY. WE HAD A TREMENDOUS PROGRAM PUT
8 ON THIS MORNING ON MATRIX SYSTEMS AND REGENERATIVE
9 MEDICINE FOR THE HEART AS WELL AS PERIPHERAL
10 VASCULAR DISEASE. HOPEFULLY THOSE OF YOU WHO WERE
11 NOT HERE TO SEE THAT WILL LOOK AT IT ON THE
12 SPOTLIGHT.

13 IF WE COULD ASK STAFF IF THERE ARE BOARD
14 MEMBERS IN THE HALL TO PLEASE HAVE THEM JOIN US.
15 THAT WOULD BE GREATLY APPRECIATED. THANK YOU VERY
16 MUCH, AMY, FOR GOING OUT AND CHECKING ON THEM AND
17 LYNN.

18 TO SAVE TIME, WHILE A COUPLE OF MEMBERS
19 ARE COMING IN FROM FINISHING THEIR CELL PHONE CALLS
20 THIS MORNING, I'D LIKE TO WELCOME EVERYONE TO THE
21 BAY AREA AGAIN. WE MADE THIS CHANGE IN VENUE TO
22 MAKE IT AS EASY AS POSSIBLE FOR BOARD MEMBERS TO
23 ATTEND ON A MORE ACCESSIBLE BASIS, AND BECAUSE
24 SACRAMENTO AT THIS VERY DATE IS OVERRUN WITH
25 INDIVIDUALS TRYING TO WORK OUT THE STATE BUDGET.

BARRISTERS' REPORTING SERVICE

1 WE HAVE AN IMPORTANT SET OF ITEMS TO
2 COVER. WE WANT TO THANK JENNA PRYNE, AMY CHEUNG,
3 AND MELISSA KING FOR THE LOGISTIC FEATS OF GETTING
4 EVERYONE HERE. AND WE HAVE A NEW ALTERNATE TODAY
5 DR. TED Krontiris. HE WAS HERE, AS YOU REMEMBER,
6 FROM LAST MEETING WHERE WE INTRODUCED HIM AS AN
7 ALTERNATE FOR DR. FRIEDMAN. THANK YOU, DR.
8 Krontiris.

9 WE ARE BEING WEBCAST AS USUAL. IF WE,
10 MELISSA, COULD HAVE THE PLEDGE OF ALLEGIANCE AND
11 THEN THE ROLL CALL.

12 (THE PLEDGE OF ALLEGIANCE.)

13 MS. KING: ROBERT PRICE FOR ROBERT
14 BIRGENEAU.

15 DR. PRICE: HERE.

16 MS. KING: FLOYD BLOOM.

17 DR. BLOOM: HERE.

18 MS. KING: DAVID BRENNER. SUSAN BRYANT.

19 DR. BRYANT: HERE.

20 MS. KING: MARCY FEIT. TED Krontiris FOR
21 MICHAEL FRIEDMAN.

22 DR. Krontiris: HERE.

23 MS. KING: LEEZA GIBBONS.

24 MS. GIBBONS: HERE.

25 MS. KING: MICHAEL GOLDBERG.

BARRISTERS' REPORTING SERVICE

1 MR. GOLDBERG: HERE.
2 MS. KING: SAM HAWGOOD. BOB KLEIN.
3 CHAIRMAN KLEIN: HERE.
4 MS. KING: SHERRY LANSING. TED LOVE.
5 DR. LOVE: HERE.
6 MS. KING: BERTRAM LUBIN. SHLOMO MELMED.
7 DR. MELMED: PRESENT.
8 MS. KING: ED PENHOET. PHIL PIZZO.
9 DR. PIZZO: HERE.
10 MS. KING: CLAIRE POMEROY.
11 DR. POMEROY: HERE.
12 MS. KING: FRANCISCO PRIETO. ELIZABETH
13 FINI FOR CARMEN PULIAFITO.
14 DR. FINI: HERE.
15 MS. KING: ROBERT QUINT.
16 DR. QUINT: HERE.
17 MS. KING: DUANE ROTH.
18 MR. ROTH: HERE.
19 MS. KING: JOAN SAMUELSON.
20 MS. SAMUELSON: HERE.
21 MS. KING: DAVID SERRANO-SEWELL. JEFF
22 SHEEHY.
23 MR. SHEEHY: HERE.
24 MS. KING: JONATHAN SHESTACK, ARE YOU WITH
25 US BY PHONE? OSWALD STEWARD, ARE YOU WITH US BY

BARRISTERS' REPORTING SERVICE

1 PHONE?

2 DR. STEWARD: I AM HERE.

3 MS. KING: ART TORRES.

4 MR. TORRES: HERE.

5 MS. KING: JEANNIE FONTANA FOR CHRISTINA
6 VUORI. JAMES ECONOMOU FOR EUGENE WASHINGTON.

7 DR. ECONOMOU: HERE.

8 MS. KING: AND I WILL NOTE FOR THE RECORD
9 THAT TED Krontiris IS HERE FOR MICHAEL FRIEDMAN.

10 REMINDER FROM OUR FABULOUS TRANSCRIBER TO
11 REMIND YOU, THE BOARD MEMBERS, THAT YOUR MICROPHONES
12 OPERATE, YOU NEED TO PRESS THE BUTTON IN ORDER TO BE
13 HEARD. THANK YOU.

14 CHAIRMAN KLEIN: THANK YOU VERY MUCH. AND
15 OUR COUNT THIS MORNING IS.

16 MR. HARRISON: WE HAVE A QUORUM.

17 CHAIRMAN KLEIN: WE HAVE A QUORUM. THANK
18 YOU VERY MUCH. THANK YOU FOR THE SPECIAL EFFORT ALL
19 OF YOU MADE TO MAKE IT TO THIS MEETING.

20 AS THE STATE FACES THE CHALLENGES OF A
21 BUDGET THAT IS IN IMBALANCE, I'D LIKE TO EMPHASIZE
22 THAT PROPOSITION 71 AND THIS AGENCY ARE MAKING A
23 VERY SIGNIFICANT CONTRIBUTION AND COVERING
24 EFFECTIVELY ITS OWN BOND DEBT SERVICE COST THROUGH
25 THIS PERIOD. WE WILL BE POSTING IN THE NEAR TERM AN

BARRISTERS' REPORTING SERVICE

1 UPDATED STUDY THAT EXTENDS THE ECONOMIC IMPACT STUDY
2 THAT ANALYZED OUR EXPENDITURES BASED ON COMMITMENTS
3 THROUGH JUNE OF 2010 AS TO THEIR IMPACT IF WE LOOK
4 AT OUR RFA SCHEDULE THROUGH 2014, NOT INCLUDING
5 DISBURSEMENTS THAT ARE MADE OUTSIDE OF 2014.

6 WE BELIEVE THAT AFTER THE VETTING THAT'S
7 CURRENTLY GOING THROUGH, THAT THAT STUDY WILL SHOW
8 THAT THE DEBT SERVICE BY THE STATE OF CALIFORNIA ON
9 THE GENERAL OBLIGATION BONDS FOR THIS AGENCY WILL BE
10 OFFSET THROUGH 2013, AND A PORTION OF 2014 AND
11 SUBSEQUENT YEARS WILL ALSO BE OFFSET, BUT WHOLLY
12 OFFSET THROUGH 2013. VERY IMPORTANT FACT IN LOOKING
13 AT THE CASH FLOW OF THIS AGENCY AND ITS BONDED
14 INDEBTEDNESS AS IT RELATES TO THE STATE BUDGET.

15 WE ARE NOT FINANCED THROUGH A SPECIAL TAX,
16 WHICH IS A REVENUE SOURCE THAT WOULD OTHERWISE
17 CONTRIBUTE MAJOR AMOUNTS. AND IN 2014 THE EXPECTED
18 DIFFERENTIAL THAT IS NOT YET COVERED UNDER OUR
19 ESTIMATES IS ABOUT \$55 MILLION.

20 I WOULD ALSO POINT OUT THAT THIS STUDY
21 WILL BE AN INTERIM POSTING. HOPEFULLY, WITH THE
22 HELP OF SOME OF CALIFORNIA'S BUSINESS SCHOOLS AND
23 ECONOMISTS, WE WILL BE ABLE TO EXTEND THIS STUDY IN
24 THE FUTURE, TAKING INTO ACCOUNT THE CLUSTER EFFECT
25 THAT I MENTIONED AT THE TIME OUR ECONOMIC STUDY WAS

BARRISTERS' REPORTING SERVICE

1 INTRODUCED. DR. PORTER FROM HARVARD IN 1998 THROUGH
2 2003 WROTE EXTENSIVELY ABOUT THE CLUSTER EFFECT THAT
3 REALLY ACTS SYNERGISTICALLY TO INCREASE THE TAX
4 REVENUES GENERATED AND THE ECONOMIC ACTIVITY
5 GENERATED FROM ANY TYPE OF RESEARCH EXPENDITURE INTO
6 AN AREA OF TECHNICAL GROWTH.

7 IN ADDITION, DR. PORTER'S WORK, INCLUDING
8 THE WORK PUBLISHED IN 2010, EMPHASIZES A SECONDARY
9 IMPACT THEY'VE NOW IDENTIFIED WHERE YOU HAVE
10 COMPLEMENTARY CLUSTERS. SO WE HAVE THE HIGH TECH
11 CLUSTERS IN CALIFORNIA AS WELL AS THE BIOTECH
12 CLUSTERS, AND HOPEFULLY THE EXTENDED STUDY WILL LOOK
13 AT THE MULTIPLYING EFFECT OF THE INTERACTION OF
14 THOSE CLUSTERS ON ECONOMIC ACTIVITY AND THE TAX
15 REVENUE GENERATED FOR CALIFORNIA ALONG WITH THE JOBS
16 GENERATED FOR CALIFORNIA. THE 25,000 JOBS THAT WERE
17 PROJECTED JUST ON COMMITMENTS THROUGH JUNE OF 2010
18 HAS NOT YET BEEN EXTENDED TO SHOW THE MULTIPLIER
19 EFFECT AND THE NEW JOBS FOR THE EXPENDITURES THROUGH
20 2014, NOR DOES IT SHOW THE CLUSTER EFFECT.

21 SO IT IS VERY IMPORTANT TO REALIZE THAT ON
22 A CASH-FLOW BASIS AT THIS POINT WE'RE ACTUALLY
23 REVENUE POSITIVE FOR CALIFORNIA, WHICH IS AN
24 ANOMALY; BUT HOPEFULLY OUR BUDGET STRUCTURING, OUR
25 FINANCIAL STRUCTURE, AND OUR CASH FLOW PLANS ARE

BARRISTERS' REPORTING SERVICE

1 WORKING TO THE BENEFIT OF THIS GREAT STATE AS WE TRY
2 AND ADVANCE THERAPIES FOR THE BENEFIT OF ALL OF ITS
3 CITIZENS AND THE WORLD.

4 I WOULD ADDITIONALLY LIKE IN THE
5 CHAIRMAN'S REPORT TO TALK ABOUT OUR SCIENTIFIC
6 LEVERAGE WITH A VERY SPECIFIC EXAMPLE. OUR SHARED
7 LABS COSTS, WHEN YOU LOOK AT THEM IN TERMS OF THEIR
8 IMPACT ON ADDITIONAL GRANTS THEY BROUGHT TO
9 CALIFORNIA, HAVE BEEN A BARGAIN FOR THIS STATE. IN
10 OUR ORIGINAL SHARED LABS PROGRAM THAT WE PUT OUT
11 AROUND THE STATE, WE'LL FIND THAT THE WORK OF
12 SCIENTISTS AND PHYSICIAN-SCIENTISTS IN THOSE SHARED
13 LABS HAS GIVEN THEM THE PRELIMINARY DATA THEY'VE
14 USED TO COMPETE TO ATTRACT OTHER GRANT MONEY.

15 RENE PARA, WHO HEADS STANFORD'S STEM CELL
16 LAB, RECENTLY WROTE TO US THAT THE EFFECT OF OUR
17 SHARED LABS PROGRAMS FOR STANFORD WAS THAT THEY HAVE
18 NOW ATTRACTED OUT OF WORK DONE AND PRELIMINARY DATA
19 GENERATED THROUGH THE SHARED LAB 35 MILLION IN
20 ADDITIONAL GRANTS, AND THEY HAVE 15 MILLION MORE IN
21 PROCESS. THAT'S A HUGE LEVERAGE IN TERMS OF THE
22 FUNDS THAT WE'RE PUTTING OUT IN WHAT IS BEING
23 ATTRACTED TO CALIFORNIA. AND WE'RE GOING TO DO A
24 SURVEY AMONG THE SHARED LABS IN CALIFORNIA TO TRY
25 AND AGGREGATE THAT DATA.

BARRISTERS' REPORTING SERVICE

1 FINALLY, I WOULD CALL YOUR ATTENTION AND
2 THE PUBLIC'S ATTENTION TO THE LEADING EDGE OF
3 CLINICAL TRIALS THAT ARE OCCURRING IN REGENERATIVE
4 MEDICINE, SOME MENTIONED TODAY IN OUR SPOTLIGHT.
5 AND WE WILL HOPEFULLY BE DEVELOPING A PROGRAM TO
6 REALLY INFORM THE PUBLIC ON THE HISTORY OF CLINICAL
7 TRIALS AND GIVING THEM A CONTEXT FOR EXPECTATIONS
8 BECAUSE WHILE MANY TRIALS ARE BEING LAUNCHED AND
9 WILL BE LAUNCHED IN THE NEXT TWO- TO THREE-YEAR
10 PERIOD IN REGENERATIVE MEDICINE, MANY OF THESE WILL
11 FAIL. MANY WILL SUCCEED. AND ON AN INDIVIDUAL
12 TRIAL, WE CANNOT FIX OUR HOPES THAT WE'RE GOING TO
13 GET A DECISIVE ANSWER.

14 IT'S GOING TO BE A LONG PERIOD OF TIME FOR
15 PRELIMINARY RESULTS, A SUBSTANTIAL PERIOD OF TIME TO
16 CONFIRM THOSE IN EFFICACY TRIALS EVEN AFTER THE
17 PHASE I SAFETY TRIALS, AND THEN WE HAVE TO BROADLY
18 DO A COMMERCIALIZATION TRIAL THAT WILL SHOW
19 ADDITIONAL DIFFERENTIATIONS AND PROBLEMS AND SIDE
20 EFFECTS IN A LARGER POPULATION.

21 SO WE WILL LOOK FORWARD TO DEVELOPING A
22 PROGRAM OF INFORMATION, REMINDING PEOPLE OF THE
23 SACRIFICES MADE IN THE AIDS COMMUNITY TO BRING AIDS
24 TO EFFECTIVE THERAPIES, BUT ALSO LEARNING FROM THE
25 HISTORY OF CLINICAL TRIALS THAT HAVE NOT BEEN

BARRISTERS' REPORTING SERVICE

1 PROPERLY SUPERVISED.

2 FORTUNATELY, WITH THE LEGISLATIVE
3 AMENDMENT THAT SENATOR TORRES AND DUANE ROTH WORKED
4 SO HARD ON LAST YEAR, WE'RE ABLE TO GET ADDITIONAL
5 STAFF. SO WE'RE GOING TO BE ABLE TO HIRE THE PEOPLE
6 TO CLOSELY SUPERVISE THE CLINICAL TRIALS THAT ARE
7 NOW STARTING, TO SUPERVISE AND WORK WITH THE
8 ADVISORY COMMITTEES. WE REALLY DESPERATELY NEEDED
9 THAT STAFF TO CLOSELY MONITOR THAT DEVELOPMENT. SO
10 WE'RE VERY APPRECIATIVE OF THE LEGISLATURE'S
11 RESPONSE ON THAT TOPIC.

12 WITH THAT, DR. TROUNSON, I'D LIKE TO TURN
13 IT OVER TO YOU FOR THE PRESIDENT'S REPORT.

14 DR. TROUNSON: THANK YOU VERY MUCH, CHAIR.
15 AND I THOUGHT I SHOULD BEGIN BY INTRODUCING ELLEN
16 FEIGAL TO YOU, WHO'S OUR NEW VICE PRESIDENT FOR
17 RESEARCH AND DEVELOPMENT. ELLEN IS SITTING HERE
18 JUST ON MY RIGHT, AND WELCOME HER TO THE BOARD
19 MEETING.

20 (APPLAUSE.)

21 DR. TROUNSON: SO YOU WILL HEAR A LOT MORE
22 FROM ELLEN DURING THIS MEETING, BUT ALSO IN MEETINGS
23 TO COME. AND SHE'S ALREADY DOING SOME INCREDIBLY
24 IMPORTANT WORK FOR US, AND SO SHE'S ENGAGED VERY
25 STRONGLY IN THE THREE TO FOUR WEEKS THAT SHE'S BEEN

BARRISTERS' REPORTING SERVICE

1 WITH US. SO THAT'S GREAT.

2 I THINK THE NEXT ONE. THERE IS ANOTHER
3 APPOINTMENT, KEVIN WHITTLESEY, WHO'S SCIENCE
4 OFFICER. I'M NOT SURE KEVIN IS ACTUALLY -- YES, HE
5 IS. HE'S HERE. SO WELCOME KEVIN. AND HE COMES
6 FROM THE FDA, SO YOU'D BE INTERESTED IN HIS
7 BACKGROUND. THAT'S VERY HELPFUL TO US HAVING A
8 SCIENCE OFFICER WITH THAT BACKGROUND AND SKILLS. SO
9 AN IMPORTANT ADDITION TO THE TEAM. AND THANK YOU,
10 PAT OLSON AND COLLEAGUES, FOR IDENTIFYING KEVIN AND
11 BRINGING HIM FORWARD TO US. WE REALLY APPRECIATE
12 YOU JOINING US, KEVIN.

13 (APPLAUSE.)

14 DR. TROUNSON: SO THERE'S A COUPLE OF
15 SLIDES BRIEFLY ON THE BUDGET. IF I COULD DO THAT
16 AND THEN GET ON WITH THE MAIN PART OF THE PROGRAM,
17 WHICH IS RESPOND TO THE EXTERNAL REVIEW. DO YOU
18 MIND WE DOING THAT THAT WAY?

19 CHAIRMAN KLEIN: THAT WOULD BE GREAT. AND
20 IN THE EXTERNAL REVIEW, GIVEN THE CALENDAR TODAY,
21 THERE ARE POINTS, IF YOU COULD HIT SOME OF THE
22 STRONGEST HIGHLIGHTS. AND THEN AT THE END OF THE
23 DAY, I'M GOING TO LEAVE SOME TIME AVAILABLE FOR
24 QUESTIONS FROM THE BOARD OR THE PUBLIC RELATED TO
25 THAT REPORT SO THAT WE CAN HAVE A DISCUSSION. BUT

BARRISTERS' REPORTING SERVICE

1 FOR DISCUSSION PURPOSES, WE'RE GOING TO TRY AND KEEP
2 IT COMPACT AT THE BEGINNING OF THE DAY SO WE CAN GET
3 THROUGH WITH A QUORUM THE AGENDA ITEMS.

4 DR. TROUNSON: I'VE REMOVED SOME OF THE
5 SEGMENTS SO THAT WE CAN KEEP IT CONTAINED. JOHN,
6 QUICKLY IF YOU WOULDN'T MIND.

7 DR. ROBSON: THIS WILL BE BRIEF. I'M
8 MAKING THIS REPORT AT THE REQUEST OF THE CHAIR AND
9 VICE CHAIR OF THE FINANCE SUBCOMMITTEE, MICHAEL
10 GOLDBERG AND MARCY FEIT, WHO ASKED THAT WE COME TO
11 THIS MEETING AND GIVE YOU A PROGRESS REPORT ON WHERE
12 WE ARE IN CONSTRUCTING THE OPERATIONS BUDGET FOR
13 FISCAL YEAR '11-'12.

14 WE SET UP A SCHEDULE FOR THAT IN THE FALL,
15 AND THE SCHEDULE IS SHOWN THERE ON THE BOARD. WE
16 HAVE MET THOSE VARIOUS DEADLINES. I'M NOW A LITTLE
17 BIT PAST HALFWAY DOWN THERE, MAKING AN INITIAL
18 OVERVIEW PRESENTATION TO YOU. AND OUR EXPECTATION
19 IS THAT THIS WILL GO TO THE FINANCE SUBCOMMITTEE IN
20 APRIL. THAT MEETING, I DON'T THINK, HAS BEEN SET UP
21 YET. AND COME TO THE BOARD IN MAY THIS YEAR FOR
22 FINAL APPROVAL.

23 LET ME JUST GIVE YOU -- THIS IS GOING TO
24 BE A VERY BRIEF 35,000 FOOT OVERVIEW OF WHERE WE
25 ARE. AS BOB JUST MENTIONED, THE ALQUIST BILL 1064

BARRISTERS' REPORTING SERVICE

1 LIFTED OUR 50-PERSON CAP AND ACKNOWLEDGED FROM THE
2 LEGISLATURE THAT CIRM HAS A NEED TO HIRE MORE PEOPLE
3 TO MEET ITS MISSION. ALSO AT THE EXTERNAL REVIEW,
4 THERE WERE COMMENTS MADE THAT WE WERE TRYING TO DO
5 AN EXTRAORDINARY AMOUNT WITH A VERY SMALL STAFF, AND
6 THEY SUGGESTED THAT WE WOULD NEED ADDITIONAL HIRES
7 AS WELL. SO WE DO FEEL IT'S GOING TO BE ESSENTIAL
8 FOR US TO HIRE SOME NEW PEOPLE.

9 I JUST PROVIDED YOU A COUPLE OF PIECES OF
10 DATA THERE TO SHOW YOU WHAT'S HAPPENED TO OUR
11 ONGOING ACTIVITIES. OUR NUMBER OF PROGRESS REPORTS
12 HAS INCREASED SIGNIFICANTLY, OUR GRANT AND LOAN
13 PAYMENTS, THOSE THINGS IMPACT SIGNIFICANTLY ON THE
14 GRANTS MANAGEMENT OFFICE, THE SCIENCE OFFICE, AND
15 THE FINANCE OFFICE. THE INCREASE IN WORK HAS GONE
16 UP 25 TO 35 PERCENT JUST IN THE LAST YEAR.

17 WE ALSO HAVE SOME NEW ACTIVITIES THAT WE
18 ARE STARTING WE FEEL ARE PART OF OUR CORE MISSION.
19 PART OF THAT IS MONITORING THE CLINICAL PROGRAMS
20 THAT ARE COMING ALONG. AND HIRING OF ELLEN FEIGAL
21 IS KEY TO THAT, AND SHE'S BUILDING AN INFRASTRUCTURE
22 TO CARRY THAT FORWARD. WE ALSO NEED TO WORK WITH
23 INDUSTRY TO CREATE PATHWAYS, PARTNERSHIPS TO GET
24 THINGS INTO CLINICAL TRIALS AND THEN ONTO THE
25 CLINIC. AND ELONA BAUM IS WORKING VERY HARD TO

BARRISTERS' REPORTING SERVICE

1 BUILD THAT. SO THERE'S SOME PROGRAMS AROUND THOSE.

2 WE ALSO HAVE A COUPLE OF ONE-TIME ITEMS
3 THAT ARE GOING TO BE REASONABLY EXPENSIVE. WE HAVE
4 A PERFORMANCE AUDIT THAT WAS STIPULATED BY BILL
5 1064. THAT'S BUDGETED AT ABOUT 250,000, AND THEN
6 THERE'S THE INSTITUTE OF MEDICINE AUDIT THAT THE
7 BOARD HAS BEEN WORKING ON, THE CHAIR'S OFFICE, AND
8 WE'VE BUDGETED 400,000 FOR THAT FOR THIS YEAR WITH
9 THE BALANCE WOULD COME IN THE NEXT FISCAL YEAR'S
10 BUDGET.

11 BUT I ALSO WANT TO EMPHASIZE THAT WE ARE
12 EXERCISING RESTRAINT. WE ARE WELL AWARE OF THE
13 PROBLEMS THAT ARE GOING ON IN THE STATE. WE ARE
14 RESTRICTING OUR NEW HIRING TO CORE FUNCTIONS THAT
15 ARE PART OF OUR -- WILL ALLOW US TO MEET OUR MISSION
16 AND OUR FIDUCIARY RESPONSIBILITIES TO THE STATE.
17 AND WE ARE ALSO BEING SENSITIVE TO OUR 6-PERCENT
18 CAP, SO WE WILL BE UNDER THAT 6-PERCENT CAP EVEN AT
19 THE END OF 2012.

20 CHAIRMAN KLEIN: AND, JOHN, JUST BECAUSE
21 THIS IS WEBCAST, TO MAKE SURE EVERYONE UNDERSTANDS
22 IT, WITH ALL THE NEW HIRES, WHETHER IT'S THIS YEAR
23 OR NEXT YEAR, WE ARE STAYING WITHIN THE 6-PERCENT
24 CAP, WHICH IS AN EXTRAORDINARY LEAN OPERATION AS
25 NOTICED BY AND COMMENTED ON SPECIFICALLY BY THE

BARRISTERS' REPORTING SERVICE

1 EXTERNAL REVIEW. SO THAT'S NOT A TEMPORARY
2 DISCIPLINE. THAT IS, IN FACT, AN INITIATIVE
3 DISCIPLINE THAT WE ARE STAYING COMPLETELY WITHIN.

4 DR. ROBSON: AND SO WE'LL BE BRINGING YOU
5 MORE DETAILS AT THE NEXT MEETING.

6 DR. TROUNSON: THANK YOU, JOHN. SO REALLY
7 NOW I WANT TO -- YOU'VE GOT THE MANAGEMENT RESPONSE
8 TO THE EXTERNAL REVIEW REPORT. IT'S POSTED AND YOU
9 HAVE IT WITH YOU. SO I'M GOING TO GO AND SORT OF
10 TOUCH ON SOME OF THE CRITICAL DETAILS AS I SEE THEM.
11 AND THAT MIGHT BE A FRAMEWORK FOR CONTINUING
12 DISCUSSION ABOUT HOW YOU FEEL WE SHOULD PROGRESS IN
13 THE IMPLEMENTATION OF THE RECOMMENDATIONS FROM THAT
14 REPORT.

15 SO THE RECURRING MESSAGE THAT'S THERE IN
16 THAT REPORT IS TO ENCOURAGE US TO MOVE AWAY FROM
17 TRADITIONAL FUNDING AGENCY MODEL, NOT BE A PALE NIH,
18 IF YOU LIKE, BE AGGRESSIVE AND PROACTIVE IN THE
19 APPROACH TO FUNDING. SO MAINTAIN AN OPTIMISTIC VIEW
20 THAT IS ABOUT WHAT WE CAN ACHIEVE. LIMIT THE
21 PORTFOLIO BECAUSE ESSENTIALLY IF YOU ACTUALLY SPRAY
22 THE WHOLE HEAVENS WITH PELLETS, WILL YOU CATCH
23 SOMETHING? PROBABLY. BUT IF YOU ARE ACTUALLY MORE
24 TARGETED, WILL YOU BE BETTER IN ACTUALLY GETTING
25 DEVELOPMENTS TO THE CLINIC? PROBABLY. AND THAT WAS

BARRISTERS' REPORTING SERVICE

1 THEIR STRONG RECOMMENDATION TO US. AND TO SEEK OUT
2 PROMISING PROJECTS TO BLEND IN WITH OUR CURRENT
3 PORTFOLIO. DON'T BE JUST WAITING FOR THE PROJECTS
4 TO COME UP FROM THE CALIFORNIAN AGENCIES AND
5 INSTITUTIONS AND COMPANIES.

6 SO THE EXTERNAL REVIEW RECOMMENDATIONS ARE
7 LISTED THERE. I'M NOT GOING TO READ THEM TO YOU
8 BECAUSE WE WILL BE AWARE OF THEM. AND ON THE NEXT
9 SLIDE AND ON THE NEXT, THESE WERE THE
10 RECOMMENDATIONS FROM THE COMMITTEE, AND THEY WERE
11 PRETTY STRONG RECOMMENDATIONS. SO THE COMMITTEE HAD
12 STRONG VIEWS THERE.

13 SO OUR RESPONSE TO THAT, IN THE FIRST
14 INSTANCE, TO KEEP CIRM ON THE LEADING EDGE OF STEM
15 CELL SCIENCE IS TO REALLY FUND THE BEST RESEARCH
16 PROPOSALS AND CONTINUE TO FUND THE BASIC RESEARCH.
17 AND THAT WAS A STRONG RECOMMENDATION TO US THAT CAME
18 FROM RECOMMENDATIONS 1 AND 2.

19 SO TO STRENGTHEN AND CONTINUE DEVELOPING
20 INNOVATIVE PRESCREENING METHODS, SUCH AS
21 PREAPPLICATION REVIEW, BUT NOT LIMITED TO, TO
22 CONSIDER A LARGE NUMBER OF PROPOSALS. HAVE A
23 FUNNEL, BE ABLE TO TAKE THEM IN, BE ABLE TO IDENTIFY
24 THOSE THAT ARE REALLY GOING TO CARRY US STRONGLY
25 TOWARDS OUR MISSION. RECRUIT THE WORLD-CLASS

BARRISTERS' REPORTING SERVICE

1 SCIENTISTS FROM ACADEMIA AND INDUSTRY TO THE GRANTS
2 WORKING GROUP. ANOTHER STRONG RECOMMENDATION AND A
3 HIGH ACTIVITY FOR US. ENSURE FUNDING DRIVEN BY
4 SCIENTIFIC MERIT AND COMPELLING MISSION CRITICAL
5 PROGRAMMATIC AND PORTFOLIO CONSIDERATIONS.

6 SO THIS IS WHAT WE CURRENTLY DO. I THINK
7 PERHAPS WE'RE HAVING AN ADDITION OF CONSIDERING PART
8 OF OUR PORTFOLIO AS A WAY OF LOOKING AT WHAT WE
9 SHOULD FUND AS WELL. MAINTAIN REGULAR FUNDING
10 OPPORTUNITIES FOR BASIC RESEARCH ON STEM CELLS.
11 GIVEN, CONTINUE, STRENGTHEN.

12 OPTIMIZING CIRM'S PORTFOLIO TO ACHIEVE
13 CLINICAL THERAPIES, WHICH WAS RECOMMENDATION 4. THE
14 CURRENT PRACTICES WITHIN THE DISEASE TEAM STRUCTURE,
15 WE ARE IN THE PROCESS OF FORMING A CLINICAL ADVISORY
16 PANEL. AND THAT'S WHAT ELLEN FEIGAL IS CURRENTLY
17 DOING FOR US, TO CONSULT WITH ELLEN ON PROJECT
18 STRATEGY PROGRESS AGAINST MILESTONES AND SUCCESS OF
19 GO/NO-GO DECISION POINTS. AND TO ADVISE THE
20 PRESIDENT ABOUT THE MERIT OF CONTINUING THE SUPPORT
21 FOR THAT PROJECT. SO WE HAVE EXPERTS IN THERE
22 WORKING WITH OUR NEW VP R&D TO GIVE US A STRONG
23 FEELING ABOUT HOW THESE PROJECTS ARE GOING. AND IF
24 THERE IS SOME REASON TO RECONSTRUCT THEM OR TO CEASE
25 THEM, IF THEY CAN'T GET BY SIGNIFICANT GO/NO-GO

BARRISTERS' REPORTING SERVICE

1 DECISIONS OR PRINCIPAL MILESTONES.

2 IN THE FUTURE WE SHOULD CONSULT WITH
3 INTERNATIONALLY RECOGNIZED EXPERTS, INCLUDING
4 SCIENTISTS, CLINICIANS, REGULATORY EXPERTS, INDUSTRY
5 REPRESENTATIVES, VENTURE CAPITALISTS, AND DISEASE
6 ADVOCACY ORGANIZATIONS TO CREATE, AND THIS IS
7 SOMETHING THAT'S PROBABLY VERY NEW, CHAIR, TO CREATE
8 AN OPPORTUNITY FUND. AND WE'RE SUGGESTING A FUND OF
9 AROUND 25 MILLION TO ACCELERATE RAPIDLY ADVANCING
10 AND SUCCESSFUL PROJECTS TOWARDS THE CLINICAL TRIALS
11 AND PATIENT TREATMENTS. SO THIS IS SOMETHING NEW
12 WE'RE SUGGESTING TO YOU, AND WE THINK THAT WE SHOULD
13 HAVE A DISCUSSION ABOUT THAT.

14 DEVELOP CRITERIA THAT DEFINE PROJECTS MOST
15 LIKELY TO SUCCEED. SO NOT ONLY THAT THEY BE GOOD
16 SCIENCE, BUT, IN FACT, THEY BE ABLE TO SUCCEED. AND
17 THERE ARE MEMBERS OF THIS BOARD WHO HAVE BEEN IN
18 INDUSTRY WHO KNOW GOOD SCIENCE DOESN'T NECESSARILY
19 GET THERE ALL THE TIME, BUT YOU REALLY HAVE TO HAVE
20 A PROFILE OF BEING ABLE TO SUCCEED. AND THAT
21 REQUIRES THAT YOU CONSIDER ISSUES LIKE RELEVANCE
22 ABOUT COMPETING ASPECTS IN THAT PARTICULAR DISEASE
23 OR A LACK OF A PLAN TO BE ABLE TO ACTUALLY GET IT
24 INTO THE CLINIC. SO THESE ARE PROBABLY VERY
25 IMPORTANT ISSUES THAT WE HAVEN'T REALLY ADDRESSED

BARRISTERS' REPORTING SERVICE

1 VERY STRONGLY UP UNTIL NOW.

2 WE WANT TO IDENTIFY KEY GAPS WHERE THEY
3 EXIST IN CIRM'S PORTFOLIO. AND THAT'S SOMETHING
4 THAT WE HAVEN'T REALLY DELVED INTO IN THE
5 TRANSLATION AND PRECLINICAL AREAS, AND WE NEED TO DO
6 THAT. AND DETERMINE WHICH DISEASES ARE MOST
7 AMENABLE TO THERAPIES FOR PATIENTS. SO, AGAIN, THIS
8 IS AN ISSUE OF RELEVANCE. I THINK BE AGGRESSIVE AND
9 PROACTIVE AND SEEK OUT THE BEST APPROACH.

10 THESE ARE RECOMMENDATIONS EMANATING FROM
11 RECOMMENDATIONS 3, 5, AND 7. BRING PROMISING
12 PROJECTS INTO THE DEVELOPMENT PIPELINE AT ALL
13 STAGES. THAT IS, MAKE A POINT OF GETTING THEM
14 THERE. EFFICIENTLY PUSH FORWARD WITH THE MOST
15 PROMISING PROJECTS. BE SUPPORTIVE OF THE GOOD
16 PROJECTS AND GIVE THEM, WHERE THEY CAN, DON'T LET
17 THEM FALTER BECAUSE OF WHATEVER REASON, BE IT NEED
18 TO FIND A PARTNER OR A FINANCIAL REASON OR AN
19 INTELLECTUAL PROPERTY REASON. THERE ARE A NUMBER OF
20 THINGS THAT CAN CAUSE THAT. EFFICIENTLY PUSH
21 FORWARD THERE.

22 PROVIDE DIRECTION TO ACADEMIA AND INDUSTRY
23 ON CRITICAL NEEDS IN SPECIFIC AREAS BASED ON
24 PORTFOLIO ANALYSIS, INTERNAL ASSESSMENT, AND
25 EXTERNAL ADVICE. SO COME ON, INDUSTRY, OR COME ON,

BARRISTERS' REPORTING SERVICE

1 ACADEMIA, WE'RE MISSING SOMETHING HERE. WHY DON'T
2 YOU RESPOND TO A NEED.

3 BETTER ENGAGE WITH INDUSTRY. THIS IS A
4 VERY IMPORTANT ISSUE FROM THE POINT OF VIEW OF THE
5 PANEL. CAPTURE INDUSTRY'S SPECIAL CAPABILITIES; FOR
6 EXAMPLE, TOXICITY TESTING, MANUFACTURING, AND
7 SCALE-UP. DO THAT. GET IN THERE AND DO THAT. AND
8 BETTER MEET INDUSTRY TIMELINES BECAUSE THEY'RE VERY
9 DIFFERENT TO ACADEMIA WHO GENERALLY HAVE THE ABILITY
10 TO MOVE FORWARD BECAUSE THEY'RE SUBSTANTIALLY
11 LARGER. BUT A COMPANY MAY NOT BE ABLE TO MOVE
12 FORWARD IN A CERTAIN TIME FRAME UNLESS IT'S ACTUALLY
13 GOT FUNDS.

14 ENSURE DEVELOPMENT PROJECTS CAN ATTRACT
15 OUTSIDE INVESTMENT. SO BE CERTAIN THAT IF WE'RE
16 GOING THAT DISTANCE, THAT THERE'S SOMEBODY
17 INTERESTED IN TAKING THEM ON.

18 SO THE POROSITY, I CALL IT POROSITY OF
19 ACCESS, MEANS THAT YOU ARE ABLE TO GET INTO THE
20 PIPELINE AND TARGET FOR THE PROMISING RESEARCH. SO
21 FUTURE PRACTICES FOR PROGRAMS ALREADY FUNDED BY CIRM
22 APPROACHING THE CLINICAL STAGE OF DEVELOPMENT
23 PIPELINE, I'M SAYING, AGAIN, WE THINK THAT WE SHOULD
24 CREATE AN OPPORTUNITY FUND FOR HIGHLY SUCCESSFUL
25 PROJECTS TO ACCELERATE EXISTING, PROMISING,

BARRISTERS' REPORTING SERVICE

1 COMPETITIVE CIRM PROJECTS AND REDUCE THE AMOUNT OF
2 TIME SPENT WRITING PROPOSALS AND REVIEW. IF THEY'RE
3 TERRIFIC PROJECTS, LET'S GET WITH THEM. LET'S MAKE
4 IT EFFICIENT. LET'S GET THEM THERE. AND WE ALREADY
5 KNOW SOME OF THESE PROJECTS ARE REALLY DOING
6 EXTREMELY WELL. AND I'D HATE FOR THOSE PROJECTS TO
7 GO ON HOLD FOR 12 MONTHS WHILE THEY GET WRITTEN UP
8 AND PREPARED AND COME BACK TO US AND LEAVE A BIG GAP
9 IN THERE WHILE THERE'S AN OPPORTUNITY TO MOVE THEM
10 FORWARD.

11 REPEATING CORE RFA'S. WE DO THIS
12 INCLUDING THERAPY DEVELOPMENT, WHICH IS THE CLINICAL
13 PROGRAMS, ON A REGULAR BASIS. AND NEW PROJECTS CAN
14 ENTER THE PIPELINE AT THE APPROPRIATE STAGE. AND
15 THESE PROJECTS WITHIN THE PIPELINE CAN PLAN FOR
16 PROGRESSION TO THE NEXT COMPETITIVE RENEWAL IF THEY
17 DO NOT RECEIVE OPPORTUNITY FUNDS. SO HELP THE
18 PROJECTS MOVE ALONG IN THIS PIPELINE.

19 WITHIN CALIFORNIA WHEN WE'RE SINGLING OUT
20 PRIORITY REVIEW PROCESS, BUT NOT CURRENTLY FUNDED BY
21 CIRM WITHIN CALIFORNIA, CONTACT RESEARCH GROUPS AND
22 MAKE THEM AWARE OF UPCOMING COMPETITIONS THAT COULD
23 FUND THEIR RESEARCH. COMPANIES SOMETIMES DON'T KNOW
24 WE'RE IN THIS SPACE. AND IT MIGHT SOUND STRANGE TO
25 US, BUT THEY DON'T ALL READ OUR WEBSITE AVIDLY, AND

BARRISTERS' REPORTING SERVICE

1 MAYBE WE NEED TO TARGET THEM A LITTLE BETTER TO
2 ENCOURAGE THAT.

3 ENCOURAGE COLLABORATIONS AMONG RESEARCHERS
4 WITH COMPLEMENTARY EXPERTISE. INVITE THEM TO APPLY.
5 SO I KNOW WHERE I'VE ACTUALLY DONE THAT THROUGHOUT
6 CALIFORNIA. AND SOME OF THESE PROJECTS HAVE BEEN
7 VERY EFFECTIVELY TAKEN UP BECAUSE WE'VE DONE SOME
8 MATCHING OF THE RIGHT GROUPS. SO WE BELIEVE WE
9 SHOULD DO MORE OF THIS. CREATE PARTNERSHIPS THAT
10 ARE EFFECTIVELY JOINING REAL RICH CAPACITIES ACROSS
11 CALIFORNIA.

12 OUTSIDE CALIFORNIA INVITE RESEARCH GROUPS
13 TO NETWORK MEETINGS, WORKSHOPS WITH CALIFORNIA
14 RESEARCHERS. WE'RE DOING A LOT OF THAT, BUT WE
15 SHOULD PROBABLY DO MORE, AND PARTICULARLY FOR
16 COMPANIES THAT HAVE OVERLAPPING INTERESTS, AND WE
17 DON'T OFTEN DO THAT. AND SO I'VE ASKED ELONA TO BE
18 VERY MINDFUL OF THOSE OPPORTUNITIES AND GIVE US A
19 CHANCE TO DO THAT.

20 THE GOALS WOULD BE TO ESTABLISH
21 COLLABORATIONS, ENCOURAGE THEIR DEVELOPMENT IN
22 CALIFORNIA. SO NEW COMPANIES TO CALIFORNIA AND
23 SCIENTISTS TO COLLABORATE WITH THOSE IN CALIFORNIA.

24 SO IN THIS POROSITY WE THINK THAT SOME OF
25 THE THINGS WE COULD DO IS FUND GRANT WRITING FOR

BARRISTERS' REPORTING SERVICE

1 SOME OF THE COMPANIES. THIS IS WHERE THE PRIVATE
2 SECTOR HAS HAD A PROBLEM WITH ACCESSING REVIEW.
3 PERHAPS THEY NEED SOME SUPPORT ON THE GRANT WRITING
4 SIDE. WE THINK THAT THIS MIGHT BE WORTHWHILE
5 CONSIDERING.

6 IN THE TRANSLATIONAL AREA, REQUIRE
7 PARTNERSHIPS BETWEEN ACADEMIA AND INDUSTRY BECAUSE
8 THERE ARE A LOT OF NEW THINGS THAT NEED TO BE WORKED
9 OUT IN EARLY TRANSLATION. AND ACADEMIA HAS A LOT OF
10 THIS REALLY GREAT CAPACITY. SOMETIMES IT'S MISSING
11 FROM THE DEPTH IN SOME COMPANIES. SO I MEAN TO
12 ENCOURAGE THAT. I THINK IT'S A GOOD THING TO
13 ENCOURAGE THAT AT THIS STAGE. AND IT GIVES THEM AN
14 OPPORTUNITY TO MOVE ON IN THE PIPELINE IF THEY WORK
15 WELL TOGETHER.

16 AND TO EXPLORE STRATEGIES THAT WOULD
17 TARGET INDUSTRY EXPERTISE AND ACCOMMODATE THE NEED
18 FOR SHORTER TIMELINES. AN INDUSTRY-ONLY RFA
19 PERHAPS. LET'S FIGURE OUT WHAT WOULD WORK BEST FOR
20 INDUSTRY. AND CLEARLY WE'RE NOT MEETING THEIR NEEDS
21 AS EXPRESSED THROUGH THE EXTERNAL REVIEW COMMITTEE.
22 SO WE NEED MORE WORK THERE.

23 SO ENGAGE WITH INDUSTRY AND ENCOURAGE AND
24 ENABLE COMMERCIALIZATIONS. THIS WAS A VERY STRONG
25 POINT IN RECOMMENDATIONS 3 TO 7.

BARRISTERS' REPORTING SERVICE

1 SO IN OUR FUTURE PRACTICES, PROMOTE
2 CALIFORNIA-BASED STEM CELL-RELATED COMPANIES TO THE
3 BROADER STEM CELL RESEARCH COMMUNITY. INVITE THE
4 COMPANIES TO THE CIRM GRANTEE MEETING TO EXHIBIT
5 THEIR STEM CELL-RELATED PRODUCTS AND SERVICE.
6 THAT'S NOT VERY DIFFICULT TO DO, AND SO WE HAD
7 CONVERSATIONS ON THAT. I THINK THAT CAN BE DONE.
8 FEATURE COMPANIES IN A SEARCHABLE RESOURCE PORTAL ON
9 THE CIRM WEBSITE. THAT'S SOMETHING THAT CAN BE DONE
10 AS WELL.

11 CREATE A POOL OF INDUSTRY AND FOUNDATION
12 EXPERTS WHO WOULD HELP CIRM. THIS WAS A STRONG
13 RECOMMENDATION FROM THE REVIEW, THAT WE HAVE A GROUP
14 OF PEOPLE WHO CAN HELP US IN THIS AREA, WHO WOULD
15 PROVIDE US WITH ADVICE ABOUT HOW TO MAKE MORE
16 EFFECTIVE THE INDUSTRY GROUP, INDUSTRY INTERACTIONS.
17 SO MAKE ALL THE PROGRAMS ATTRACTIVE TO INDUSTRY,
18 IDENTIFY RESEARCH AREAS. THIS IS WHAT WE WOULD ASK
19 THEM TO DO. IDENTIFY RESEARCH AREAS MOST
20 APPROPRIATE FOR INDUSTRY. TELL US WHERE THEY ARE.
21 IDENTIFY CIRM-FUNDED INVENTIONS THAT COULD BE
22 PATENTED. THAT'S ANOTHER THING THAT THEY CAN TELL
23 US ABOUT.

24 CREATE OPPORTUNITIES FOR FOLLOW-ON FUNDING
25 FOR CIRM-FUNDED RESEARCH PROJECTS, ESPECIALLY THOSE

BARRISTERS' REPORTING SERVICE

1 THAT ARE APPROACHING CLINICAL TRIAL. BECAUSE WE
2 HAVE SOME CONCERNS THAT IF THERE'S NO FOLLOW-ON
3 FUNDING, THAT THESE PROJECTS COULD BE LEFT AT A
4 BARRIER WHERE THEY'RE NOT PICKED UP AND TAKEN TO
5 PATIENT THERAPEUTICS. AND THAT WOULD BE A PITY.

6 IDENTIFY ADVANCED BUSINESS MODELS FOR
7 REGENERATIVE MEDICINE. AGAIN, AN IMPORTANT ISSUE
8 WHICH WE'VE TALKED TO A NUMBER OF THE BOARD MEMBERS
9 ABOUT ALREADY. AND IDENTIFY AND ASSIST CIRM IN
10 FOSTERING INDUSTRY AND ACADEMIC PARTNERSHIP
11 OPPORTUNITIES.

12 SO, AGAIN, FEATURE COMPANIES IN A
13 SEARCHABLE RESOURCE PORTAL. IDENTIFY RESEARCH AREAS
14 MOST APPROPRIATE. HELP BROKER RESEARCH
15 COLLABORATIONS. CREATE A FORUM FOR RESEARCHERS TO
16 PRESENT THEIR FINDINGS TO INDUSTRY AND VENTURE
17 REPRESENTATIVES. SO ALL OF THESE THINGS WE CAN DO,
18 AND WE CAN DO -- IT TAKES TIME, IT TAKES EFFORT, BUT
19 IT WOULD BE VERY WORTHWHILE DOING.

20 TAKE A LEADERSHIP ROLE IN DEVELOPING
21 NATIONAL AND INTERNATIONAL STANDARDS RELATED TO
22 REGULATORY ISSUES, POLICIES, AND ETHICS. THEY
23 COMMENTED THAT IN RECOMMENDATION 6. SO CIRM
24 REPRESENTATIVES DO PARTICIPATE IN KEY NATIONAL
25 PANELS AND COMMITTEES FOR DEVELOPING STANDARDS, SO I

BARRISTERS' REPORTING SERVICE

1 THINK WE'RE DOING PRETTY WELL THERE. AND IT'S GOOD
2 NOW TO HAVE ELLEN FEIGAL AS WELL WHO WILL CERTAINLY
3 BE INVOLVED IN THIS ASPECT OF OUR WORK.

4 CIRM REGULATORY WEBINARS AND ROUNDTABLES
5 WITH FDA ARE OCCURRING, AND CIRM IS CONCEPTUALLY
6 APPROVING AND SPONSORING A REGENERATIVE MEDICINE
7 TRANSLATION JOURNAL. SO THAT'S ALSO CONSIDERED
8 IMPORTANT BY ACADEMIA AND BUSINESS.

9 CIRM IS AND WILL REMAIN VIGILANT AND
10 RESPONSIVE TO LEGISLATIVE AND JUDICIAL EFFORTS TO
11 RESTRICT STEM CELL RESEARCH. WE SHOULD BECAUSE IT'S
12 HAPPENING QUITE FREQUENTLY UNFORTUNATELY. MONITOR
13 AND, WHERE POSSIBLE, HELP RESOLVE ISSUES THAT
14 PRESENT REGULATORY AND ETHICAL CHALLENGES. AND
15 PARTNER WITH GRANTEEES TO UNDERSTAND THESE ISSUES.

16 SO THIS IS TO CONTINUE THE WORK, I THINK
17 THE IMPORTANT WORK THAT THE STANDARDS COMMITTEE,
18 SUBCOMMITTEE, DOES, BUT ALSO TO BE VIGILANT ABOUT
19 WHAT'S OCCURRING IN THE WHOLE SPACE AROUND US.

20 TAKE A LEADERSHIP ROLE IN DEVELOPING
21 NATIONAL AND INTERNATIONAL STANDARDS RELATING TO
22 REGULATORY ISSUES, POLICIES, AND ETHICS; DONOR
23 CONSENT, FOR EXAMPLE. AND WE'RE ACTUALLY GOING TO
24 BE WORKING ON THAT SHORTLY WITH OUR STANDARDS
25 SUBCOMMITTEE.

BARRISTERS' REPORTING SERVICE

1 LOOK AT OVERSEAS RESEARCH BECAUSE WE'VE
2 GOT THESE PARTNERSHIPS NOW. ADDRESS ISSUES ON A
3 CASE-BY-BASE BASIS, INCLUDING DEVELOPING CORE
4 GUIDING PRINCIPLES FOR THAT WORK TOGETHER WITH
5 OVERSEAS COUNTRIES. AND DEVELOP TOOLS ON THE
6 WEBSITE TO EDUCATE THE PUBLIC ON ETHICS OF STEM CELL
7 RESEARCH.

8 EXPAND CIRM'S INTERNATIONAL PARTNERSHIPS
9 AND COLLABORATIONS. SO IDENTIFY RESEARCH NEEDS OF
10 THE CALIFORNIA STEM CELL COMMUNITY. SO THERE ARE
11 NEEDS. NOT EVERYTHING IS ABSOLUTELY PERFECT AND THE
12 BEST DONE IN CALIFORNIA. IT'S TERRIFIC, BUT THERE
13 ARE PEOPLE AND ACTIVITIES HAPPENING OUTSIDE
14 CALIFORNIA THAT ARE REALLY FANTASTIC AND THAT WE
15 OUGHT TO CONNECT WITH THEM.

16 IDENTIFY AND APPROACH ADDITIONAL
17 PARTICIPANTS FOR THE COLLABORATIVE FUNDING PROGRAM
18 BASED ON THE IDENTIFIED AREAS OF CALIFORNIA NEED.
19 AND, SECONDLY, THE STRENGTH OF CALIFORNIA EXISTING
20 WORK AND EMERGING PROGRAMS. AND I THINK WE'RE DOING
21 THIS QUITE WELL, BUT THEY ENCOURAGE US TO EXPAND
22 THAT.

23 ADOPT AN OPPORTUNITY FUND PROGRAM TO
24 FAST-TRACK CLINICAL AND ADVANCED TRANSLATIONAL
25 PROJECTS AND, AGAIN, A RECURRING RECOMMENDATION HERE

BARRISTERS' REPORTING SERVICE

1 FROM US. DEVELOP REGULAR COMMUNICATIONS TO DISEASE
2 FOUNDATIONS TO PARTNER WITH CIRM IN MOVING LATE
3 STAGE PROJECTS INTO CLINICAL DEVELOPMENT. WE HAVE
4 THAT ARRANGEMENT WITH THE JUNIOR DIABETES RESEARCH
5 FOUNDATION, BUT WE FEEL THAT WE SHOULD DO IT WITH
6 OTHER FOUNDATIONS AND AGENCIES. AND INCLUDE DISEASE
7 FOUNDATIONS IN EFFORTS TO DEVELOP AND SUPPORT
8 REGULATORY PATHWAYS, AND WE'RE REACHING OUT TO THOSE
9 GROUPS NOW AS WELL.

10 SO CIRM SHOULD ENCOURAGE SELECTIVE USE OF
11 SUPPLEMENTAL FUNDING WHICH IS A BOLT-ON PROCEDURE.
12 IF YOU'VE AGREED TO A GRANT AND YOU'VE SUPPORTED
13 THAT GRANT, IF THERE'S AN OPPORTUNITY FOR ANOTHER
14 STATE TO BOLT ON FUNDING TO THAT THAT IMPROVES THAT
15 PROJECT, WHY SHOULD THAT BE NEGATIVE IMPACT ON US.

16 NOW, THERE ARE SOME SITUATIONS, IF YOU'RE
17 MOVING INTO THE CLINIC, IN THE PRECLINICAL AND
18 CLINICAL PROGRAMS, THAT COULD MAKE AN ISSUE FOR OUR
19 IP REGULATIONS AND SO ON. SO WE WANT STAFF TO KNOW
20 ABOUT THIS AND TO BE AWARE THAT IT DOESN'T CREATE AN
21 ISSUE FOR US THERE. BUT THESE BOLT-ON
22 OPPORTUNITIES, I THINK, ARE A GOOD WAY TO GO WHERE
23 IT'S RATHER DIFFICULT FOR OTHER ORGANIZATIONS TO
24 COME IN FRONT-ENDED AS WE HAVE BEEN ABLE TO DO WITH
25 OTHER COUNTRIES.

BARRISTERS' REPORTING SERVICE

1 AND THESE COLLABORATIVE FUNDING PARTNERS
2 BE INVITED TO FUND SUPPLEMENTAL WORK BY FOREIGN
3 SCIENTISTS. AND THE COLLABORATE FUNDING PARTNERS
4 WOULD HAVE MORE AUTONOMY THERE SEEKING THAT WITH US
5 WITHIN THEIR RESEARCH COMPONENT. AND I ACTUALLY
6 THINK THAT'S A GOOD THING. I DON'T THINK THAT'S A
7 BAD THING AT ALL. I THINK WE NEED TO KNOW ABOUT IT
8 AND BE ABLE TO ASSESS IT, BUT I THINK WE WANT TO
9 ENCOURAGE IT ACTUALLY. I THINK IT MAKES FOR BETTER
10 PROJECTS. AND I THINK IT GIVES THE COLLABORATIVE
11 FUNDING PARTNERS A BETTER FEELING FOR THE
12 COLLABORATION WITH US.

13 SO, CHAIR, I HAVEN'T SORT OF GONE INTO THE
14 LAST COUPLE OF THINGS WHICH ARE AROUND COMMUNICATION
15 AND GOVERNANCE. I THINK THEY'RE GOING TO OCCUPY YOU
16 AND THE BOARD TODAY SOMETIME ANYWAY. BUT THOSE
17 ISSUES ARE IN YOUR PAPER, AND WE'VE MADE SOME
18 COMMENT ON IT.

19 SO I HOPE IN THAT SUMMARY THAT I SORT OF
20 IDENTIFIED SOME THINGS THAT I THINK WE SHOULD DO,
21 AND WE WOULD REALLY VALUE YOUR ADVICE, THE BOARD'S
22 ADVICE, ON WHERE WE SHOULD -- WHETHER YOU'RE
23 SUPPORTIVE OF US GOING IN THESE DIRECTIONS IN
24 ADDRESSING THOSE RECOMMENDATIONS THAT WERE MADE BY
25 THE PANEL.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: THANK YOU VERY MUCH FOR
2 THE EXCELLENT PRESENTATION. AND CERTAINLY I ENJOYED
3 THE OPPORTUNITY TO GO THROUGH THIS IN-DEPTH WITH YOU
4 AND ELONA EARLIER IN THE WEEK AND THE PRIOR WEEK.
5 SO IT IS VERY IMPORTANT TO NOTE WE WILL LATER TODAY,
6 AFTER OUR QUORUM SENSITIVE ISSUES ARE PAST, TO GET
7 BACK INTO THIS ISSUE.

8 BUT PRIORITIZING FOR ACTION-SPECIFIC
9 OPPORTUNITIES, I THINK, SENATOR TORRES, YOU TOLD ME
10 YOU HAD A COUPLE OF POINTS YOU WANTED TO FOCUS ON
11 JUST TO PUT THEM ON THE TABLE, BUT WITHOUT
12 DISCUSSING THEM AT THIS POINT.

13 MR. TORRES: YES. IT'S SOMETHING THAT I
14 DISCUSSED WITH DR. TROUNSON AND THE SCIENTIFIC TEAM
15 ON MONDAY. AND THAT IS I THINK THAT THE BOARD OUGHT
16 TO SET A PARTICULAR FORM OF ACTION, WHETHER IT'S THE
17 FORM OF A MOTION OR WHETHER IT'S JUST A SENSE OF
18 CONSENSUS, THAT WE URGE YOU WITH OUR SUPPORT TO
19 DEVELOP RECOMMENDATIONS 3, 5, AND 7 TO DEVELOP A
20 PROACTIVE STRATEGY THAT ENABLES THE PAUCITY OF
21 ACCESS AND TARGETS FOR THE MOST PROMISING RESEARCH.

22 I THINK THAT'S AN IMPORTANT RECOMMENDATION
23 OF THE OVERVIEW COMMITTEE. I KNOW YOU BELIEVE THAT
24 AS WELL. BUT I THINK IT'S IMPORTANT FOR US TO GO ON
25 THE RECORD PUBLICLY THAT WE SUPPORT YOU, MR.

BARRISTERS' REPORTING SERVICE

1 PRESIDENT, IN THAT EFFORT SO THAT WE ARE UNITED TO
2 MAKE SURE THAT THOSE RECOMMENDATIONS HAVE THE FULL
3 FORCE AND EFFECT OF THE BOARD AND YOU AS PRESIDENT.
4 DOES THAT REQUIRE A MOTION?

5 CHAIRMAN KLEIN: WE ACTUALLY CAN AGENDIZE
6 THIS FOR THE MAY MEETING SO WE HAVE THE PUBLIC
7 NOTICE AND THE WRITE-UP THAT SPECIFICALLY WILL
8 ACCOMPANY IT. AND I BELIEVE THAT, BASED ON THE
9 DISCUSSION EARLIER IN THE WEEK, ONE OF THE THINGS
10 YOU SPECIFICALLY WERE TALKING ABOUT, SENATOR TORRES,
11 IS THE OPPORTUNITY FUND AS BEING A GREAT IDEA THAT
12 SHOULD BE MOVED QUICKLY.

13 MR. TORRES: SO WE SHOULD AGENDIZE THAT AS
14 WELL.

15 CHAIRMAN KLEIN: WE WILL CERTAINLY
16 AGENDIZE THAT. WE'RE GOING TO HAVE ADDITIONAL
17 DISCUSSION LATER. THANK YOU VERY MUCH. I'D LIKE TO
18 MOVE -- CAN I GET A QUICK MOTION TO --

19 MR. TORRES: SO MOVED.

20 CHAIRMAN KLEIN: -- ON THE MINUTES ON ITEM
21 6. IS THERE A SECOND ON ITEM 6?

22 DR. LOVE: SECOND.

23 CHAIRMAN KLEIN: DR. LOVE IS THE SECOND.
24 CALL THE QUESTION ON ITEM 6. ALL IN FAVOR.

25 (CHORUS OF AYES.)

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: OPPOSED? COULD WE HAVE A
2 ROLL CALL ON THE PHONE, PLEASE.

3 FOR THE PUBLIC'S INFORMATION, WHENEVER
4 THERE ARE MEMBERS ON THE PHONE, THEY ARE NOT
5 PRESENT. WE CAN'T SEE THEIR ACTIONS. WE HAVE TO
6 SPECIFICALLY CALL THEIR NAMES.

7 MS. KING: FOR THE BOARD MEMBERS ON THE
8 PHONE, THE MOTION ON THE TABLE IS TO APPROVE THREE
9 SETS OF MINUTES FROM PREVIOUS BOARD MEETINGS.
10 MOTION FROM SENATOR TORRES, SECOND FROM DR. LOVE. I
11 WILL CALL THE NAMES OF THOSE WHO I KNOW OR HOPE ARE
12 ON THE PHONE.

13 SHLOMO MELMED.

14 DR. MELMED: APPROVE.

15 MS. KING: OSWALD STEWARD.

16 DR. STEWARD: AYE.

17 MS. KING: AND JONATHAN SHESTACK. THANK
18 YOU.

19 CHAIRMAN KLEIN: THANK YOU VERY MUCH. I'D
20 LIKE TO MOVE TO ITEM 7.

21 MS. KING: JUST FOR THE RECORD THAT MOTION
22 CARRIES.

23 CHAIRMAN KLEIN: ITEM 7, PROPOSAL OF
24 SUPPLEMENTAL FUNDS TO EXISTING SHARED LABORATORY
25 PROGRAM. DR. TROUNSON, WHO WOULD YOU LIKE TO

BARRISTERS' REPORTING SERVICE

1 INTRODUCE THIS ITEM? DR. SAMBRANO. THANK YOU.

2 DR. SAMBRANO: MR. CHAIRMAN, MEMBERS OF
3 THE BOARD, MEMBERS OF THE PUBLIC, IN 2007 CIRM
4 LAUNCHED WHAT WAS THE SHARED RESEARCH LABORATORY
5 GRANT PROGRAM AS A COMPONENT OF A JUMP-START
6 INITIATIVE TO STIMULATE RESEARCH ON HUMAN EMBRYONIC
7 STEM CELLS IN CALIFORNIA. SO IN ADDITION TO OUR
8 SEED GRANTS AND COMPREHENSIVE RESEARCH GRANTS WAS
9 THE SHARED LABORATORIES AND TECHNIQUES COURSE
10 PROGRAM.

11 THE OBJECTIVES OF THE PROGRAM WERE
12 TWOFOLD. ONE WAS TO CREATE DEDICATED LABORATORY
13 SPACE FOR THE CULTURE AND MAINTENANCE OF HUMAN
14 EMBRYONIC STEM CELLS BY MULTIPLE INVESTIGATORS
15 CONDUCTING RESEARCH AT THE HOME INSTITUTION AND
16 NEIGHBORING RESEARCH INSTITUTIONS. AND ALSO TO
17 PROVIDE A SAFE HAVEN ENVIRONMENT FOR THE CONDUCT OF
18 SCIENTIFIC RESEARCH ON HUMAN EMBRYONIC STEM CELLS
19 WITHOUT REGARD TO FEDERAL LIMITS.

20 IN ADDITION, THERE WAS AN OPTIONAL STEM
21 CELL TECHNIQUE COURSE THAT WAS OFFERED. AND THAT
22 WAS AIMED AT TRAINING SCIENTISTS AND TECHNICAL STAFF
23 IN THE GROWTH AND MAINTENANCE OF HUMAN EMBRYONIC
24 STEM CELLS BY FUNDING A NUMBER OF HANDS-ON COURSES
25 TO BE GIVEN SEVERAL TIMES A YEAR.

BARRISTERS' REPORTING SERVICE

1 THE ORIGINAL AWARD HAD TWO COMPONENTS.
2 THE FIRST COMPONENT PROVIDED FUNDING FOR THE
3 DEVELOPMENT AND/OR RENOVATION OF EXISTING LABORATORY
4 SPACE AND FOR THE PURCHASE OF MAJOR EQUIPMENT FOR
5 THE LABORATORY. CIRM FUNDED UP TO \$1 MILLION
6 TOWARDS THE RENOVATION AND AN ADDITIONAL ONE MILLION
7 TOWARDS MAJOR EQUIPMENT COST PER AWARD. THERE WAS A
8 20-PERCENT MATCH THAT WAS REQUIRED FOR THAT
9 COMPONENT.

10 THE SECOND COMPONENT WAS, UPON COMPLETION
11 OF THIS SPACE, 200,000 PER YEAR FOR THREE YEARS TO
12 PRIMARILY COVER PERSONNEL AND SUPPLY COSTS IN ORDER
13 TO RUN AND MAINTAIN THE LABORATORIES.

14 THE RFA FOR THIS PROGRAM TARGETED THE
15 ESTABLISHMENT OF UP TO 15 LABS IN CALIFORNIA.
16 HOWEVER, FOLLOWING REVIEW AND RECOMMENDATIONS BY
17 BOTH THE GRANTS WORKING GROUP AND THE FACILITIES
18 WORKING GROUP, THE ICOC APPROVED FUNDING THAT
19 ESTABLISHED 17 SHARED LABS THAT ARE GEOGRAPHICALLY
20 DISTRIBUTED THROUGHOUT CALIFORNIA. AND THERE IS A
21 LISTING OF THOSE INSTITUTIONS ON THE SLIDE.

22 MOST OF THE SHARED LAB FACILITIES BEGAN
23 OPERATIONS IN 2009, AND SUPPORT UNDER THESE AWARDS
24 WILL TERMINATE IN 2012. MOST OF THE FACILITIES HAVE
25 ADOPTED A VARIETY OF MECHANISMS, SUCH AS RECHARGE

BARRISTERS' REPORTING SERVICE

1 PRIVATE DONATIONS, NONFEDERAL GRANT SUPPORT, IN
2 ORDER TO FACILITATE THE RUNNING OF THE LAB AND TO
3 SUPPORT INVESTIGATORS WHO UTILIZE IT. HOWEVER, CIRM
4 SUPPORT OF THE SHARED LAB CORE PERSONNEL, SUPPLIES,
5 AND OTHER OPERATIONAL COST REMAINS CRITICAL FOR THE
6 VIABILITY OF THESE FACILITIES.

7 CIRM HAS OVER THE LAST SEVERAL YEARS
8 CAREFULLY AND REGULARLY MONITORED THE PROGRESS OF
9 THESE LABORATORIES. AND WE HAVE FOUND THAT THEY DO
10 INDEED PROVIDE A VALUABLE RESOURCE TO THE STEM CELL
11 COMMUNITY IN CALIFORNIA. IN ADDITION TO
12 ESTABLISHING SAFE HAVENS FOR STEM CELL RESEARCH,
13 EACH LAB HAS PLAYED TO THEIR OWN UNIQUE STRENGTHS
14 AND, THUS, DEVELOPED UNIQUE AREAS OF SPECIALIZATION,
15 SUCH AS CELL SORTING, HIGH THROUGHPUT CHEMICAL
16 SCREENING, USE OF IN VIVO MODELS, BIOENGINEERING
17 TOOLS, OR VECTOR DEVELOPMENTS.

18 THE LABS HAVE ALSO QUICKLY ADAPTED TO
19 CHANGES IN THE FIELD AND, IN GENERAL, MAINTAIN BOTH
20 HUMAN EMBRYONIC STEM CELL LINES AS WELL AS IPSC'S,
21 INDUCED PLURIPOTENT STEM CELLS, AND HAVE DEVELOPED
22 TRAINING FOR GENERATING THESE VARIED CELL LINES AND
23 DERIVING THESE DIFFERENT CELL TYPES.

24 THE LABS HAVE CREATED OPPORTUNITIES AS
25 WELL FOR INDEPENDENT INVESTIGATORS TO WORK ON HUMAN

BARRISTERS' REPORTING SERVICE

1 EMBRYONIC STEM CELLS FOR THE VERY FIRST TIME AND
2 ALSO SUBSEQUENTLY ACQUIRE FUNDING FOR THINGS SUCH AS
3 BASIC BIOLOGY AWARDS OR EARLY TRANSLATIONAL AWARDS
4 AS WAS MENTIONED EARLIER BY THE CHAIRMAN.

5 THE TRAINING COMPONENT HAS MORE RECENTLY
6 EXTENDED TO THE CIRM BRIDGES PROGRAMS THAT RELY ON
7 THE SHARED LABS TO PROVIDE BASIC STEM CELL
8 TECHNIQUES COURSES FOR BRIDGES TRAINEES. IN FACT, I
9 JUST CAME FROM A SITE VISIT YESTERDAY. AND
10 THROUGHOUT MY SITE VISITS, I HAVE TO SAY I'VE MET
11 MANY OF THESE BRIDGES STUDENTS. AND I THINK THERE
12 IS YET A LAB WHERE I HAVEN'T MET A BRIDGES STUDENT
13 WHILE ON A SITE VISIT, SO THEY ARE CERTAINLY THERE
14 AND THEY ARE CERTAINLY ACTIVELY PARTICIPATING.

15 FURTHERMORE, THE SHARE LABS REALLY SERVE
16 AS A FOCI FOR COLLABORATION, NETWORKING, AND
17 INFORMATION EXCHANGE FOR STEM CELL RESEARCH
18 COMMUNITIES AT THESE VARIOUS INSTITUTIONS.

19 SO OVERALL I THINK CIRM FEELS THAT THIS
20 PROGRAM HAS BEEN AN IMPORTANT AND A WELL-MADE
21 INVESTMENT THAT WE SHOULD CONTINUE TO SUPPORT.
22 RECENT ABRUPT CHANGES IN FEDERAL POLICY HAVE
23 REMINDED US THAT WE NEED TO MAINTAIN FACILITIES THAT
24 ARE FREE OF FEDERAL SUPPORT TO ENSURE THAT STEM CELL
25 RESEARCH CAN CONTINUE WITHOUT INTERRUPTION IN

BARRISTERS' REPORTING SERVICE

1 CALIFORNIA.

2 THIS CONCERN WAS ACTUALLY RECENTLY
3 HIGHLIGHTED IN A JOINT LETTER THAT WAS SENT BOTH TO
4 CIRM AND THE ICOC BY THE SHARED LABS PROGRAM
5 DIRECTORS IN OCTOBER. THE DIRECTORS ALL EXPRESSED
6 GREAT CONCERN THAT WITHOUT CONTINUED CIRM SUPPORT,
7 THE SHARED LABS COULD BE SEVERELY COMPROMISED. IN
8 SOME CASES THIS COULD MEAN A REDUCTION IN PERSONNEL
9 AND SERVICES. IN OTHERS IT COULD MEAN A LOSS OF A
10 SAFE HAVEN FOR STEM CELL RESEARCH.

11 SO WHAT WE ARE PROPOSING, IN ORDER TO
12 CONTINUE OUR SUPPORT, CIRM IS REQUESTING THAT THE
13 EXISTING SHARED LAB GRANTS BE EXTENDED VIA A
14 SUPPLEMENT FOR AN ADDITIONAL THREE YEARS BEYOND THE
15 INITIAL FUNDING PERIOD IN ORDER TO SUPPORT THE CORE
16 PERSONNEL, SUPPLIES, RESEARCH EQUIPMENT THAT NEEDS
17 TO BE REPLACED OR CONTINUE TO BE MAINTAINED, AND
18 WHERE APPROPRIATE THE TECHNIQUES COURSES.

19 AND SO THE ELIGIBLE COSTS ARE LISTED IN
20 TERMS OF THE LAB OPERATIONS, WHICH IS THE PERSONNEL
21 AND SUPPLIES. 50,000 PER AWARD THAT WOULD GO
22 TOWARDS RESEARCH EQUIPMENT, COURSE SUPPORT WHERE
23 APPROPRIATE, AND THE APPROPRIATE INDIRECT AND
24 FACILITIES COSTS. AND THE TOTAL PROGRAM COST FOR
25 THE 17 SHARED LABS IS 22 MILLION.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: THANK YOU VERY MUCH, DR.
2 SAMBRANO.

3 NOW, BECAUSE A NUMBER OF THE INSTITUTIONS
4 THAT RECEIVE SHARED LABS ARE REPRESENTED, THEY'RE
5 NOT REPRESENTED BY, BUT THEY HAVE INDIVIDUALS WITH
6 EXPERTISE DRAWN FROM THOSE INSTITUTIONS, WHO ARE ON
7 THIS BOARD, I'D REALLY LIKE TO EMPHASIZE FOR THOSE
8 ON THE PHONE AND PRESENT THAT THOSE INDIVIDUALS PAY
9 ATTENTION TO YOUR CONFLICTS SHEETS BECAUSE YOU WILL
10 NOT BE ASKED TO VOTE AND DON'T PARTICIPATE IN THE
11 DISCUSSION, AS OUR USUAL PRACTICE OF RECUSALS.

12 WOULD SOMEONE WHO DOES NOT HAVE A CONFLICT
13 LIKE TO MAKE A MOTION TO APPROVE TO ENTER THIS INTO
14 DISCUSSION OR TO NOT APPROVE?

15 MR. TORRES: SO MOVED TO APPROVE.

16 CHAIRMAN KLEIN: SO MOVED BY SENATOR
17 TORRES. IS THERE A SECOND?

18 MS. SAMUELSON: SECOND.

19 CHAIRMAN KLEIN: THANK YOU, JOAN.

20 DISCUSSION FROM MEMBERS OF THE BOARD? AND
21 I WOULD EMPHASIZE, AS I DID EARLIER, AGAIN, THAT
22 WHEN YOU HAVE AN EFFICIENT PROGRAM LIKE THIS THAT
23 HAS A VERY LIMITED BUDGET AND HAS PROVEN TIME AND
24 TIME AGAIN ACROSS THE SPECTRUM OF THESE INSTITUTIONS
25 TO CREATE THE ABILITY OF SCIENTISTS TO CREATE THE

BARRISTERS' REPORTING SERVICE

1 PRELIMINARY DATA TO OBTAIN MANY, MANY TIMES THE
2 AWARDS FROM MANY SOURCES, MUCH OF THIS COMING FROM
3 FOUNDATIONS AND THE NIH, SO SUPPLEMENTING THE FUNDS
4 AVAILABLE IN CALIFORNIA, WE HAVE A FINE RECORD FROM
5 MY INDIVIDUAL PERSPECTIVE, BUT I'D LIKE TO HEAR FROM
6 OTHER MEMBERS OF THE BOARD THAT DO NOT HAVE A
7 CONFLICT. ANYONE ELSE WOULD LIKE TO ADDRESS THIS?

8 MR. ROTH: SO WAS THERE ANY ATTEMPT TO
9 LOOK AT THE DIFFERENCES IN THE PRODUCTIVITY FROM
10 THESE 17 CENTERS WITH REGARD TO THIS? I JUST DON'T
11 KNOW. AND I WONDERED IF THAT WAS TAKEN INTO
12 CONSIDERATION VERSUS JUST A BLANKET.

13 DR. SAMBRANO: THIS REPRESENTS AN
14 EXTENSION OF THE EXISTING AWARDS. SO THE AMOUNT
15 THAT'S PROVIDED IS ESSENTIALLY EQUIVALENT TO WHAT
16 THEY'VE HAD EACH YEAR FOR THE PAST THREE YEARS.
17 EACH LAB IS UNIQUE, SO THEY HAVE DIFFERENT AREAS OF
18 SPECIALIZATION. AND SO WHAT WE CONTRIBUTE TO THE
19 LABS USUALLY IS FOR THE CORE PERSONNEL, USUALLY A
20 LAB MANAGER THAT MANAGES THE ENTIRE LAB, TWO TO
21 THREE TECHNICIANS, AND THEN THE SUPPLIES THAT ALLOW
22 THEM TO MAINTAIN CELLS IN CULTURE AND DO SOME OF THE
23 UNIQUE ASPECTS. THAT'S COMMON ACROSS ALL OF THEM.

24 NOW, ALL OF THEM ALSO USUALLY WILL
25 SUPPLEMENT THAT WITH ADDITIONAL FUNDS FROM OTHER

BARRISTERS' REPORTING SERVICE

1 SOURCES. SO, IN GENERAL, WHAT WE END UP COVERING IS
2 MAYBE 20, 25 PERCENT OF THE TOTAL COSTS THAT GO INTO
3 RUNNING THE LAB. SO THE PRODUCTIVITY REALLY
4 REPRESENTS MORE THAN WHAT WE CONTRIBUTE, BUT IT'S
5 BEYOND THAT AND IT ENCOMPASSES ALL THE UNIQUE
6 ASPECTS THAT THESE LABS BRING.

7 MR. ROTH: THIS WAS REALLY A QUESTION JUST
8 TO SEE IF THERE WAS A PROCESS FOR WHICH YOU GET A
9 REPORT. YOU'VE DONE SOME DUE DILIGENCE AND
10 DETERMINED THAT EACH AND EVERY OF THE 17 IS
11 PERFORMING TO YOUR EXPECTATIONS.

12 DR. SAMBRANO: YES, THAT'S CORRECT. SO
13 WE'VE DONE ANNUAL PROGRESS REPORTS AND ANNUAL SITE
14 VISITS WITH EACH LABORATORY. AS I MENTIONED, I CAME
15 BACK FROM ONE YESTERDAY, SO WE'RE COMPLETING THE
16 ANNUAL SITE VISITS FOR THIS LAST YEAR.

17 SOME OF THE LABS DIDN'T START ALL AT THE
18 SAME TIME, SO SOME WILL CONTINUE FOR AT LEAST
19 ANOTHER YEAR BEFORE THIS WOULD KICK IN.

20 MR. ROTH: MR. CHAIRMAN, I WOULD RECOMMEND
21 IN THE FUTURE THAT WE RECEIVE THOSE KIND OF DATA,
22 JUST SOME KIND OF AN EVALUATION FORMAT WHEN YOU ASK
23 FOR THESE BLANKET APPROVALS FOR EACH AND EVERY.

24 CHAIRMAN KLEIN: OKAY. POINT WELL TAKEN.

25 JOAN SAMUELSON HAS ASKED COULD THAT BE

BARRISTERS' REPORTING SERVICE

1 INCORPORATED AS A FRIENDLY AMENDMENT. THE ANSWER IS
2 YES. THE MAKER AND THE SECOND HAVE ACCEPTED THE
3 FRIENDLY AMENDMENT FOR FUTURE REPORTING.

4 DR. TROUNSON: SO I THINK I UNDERSTAND
5 DUANE'S POINT VERY WELL. SOME OF THE SHARED LABS
6 ARE IN SMALLER ORGANIZATIONS WITH A SMALLER GROUP OF
7 SCIENTISTS AND, THEREFORE, YOU KNOW, WHAT WE HAVEN'T
8 LOOKED AT IS TO SORT OF TRY TO ASSESS IT
9 COMPETITIVELY. BUT WHAT WE ARE INTERESTED IN IS
10 SEEING WHETHER THEY'RE DELIVERING ON WHAT THEY SAID
11 THEY WERE GOING TO DO. AND IN SOME OF THESE SHARED
12 LABS, OF COURSE, IN THE BIGGER ORGANIZATIONS,
13 THEY'RE INCREDIBLY PRODUCTIVE BECAUSE EVEN A SMALL
14 CONNECTION WITH THAT LAB IS THEN RECOGNIZED IN
15 ACTIVITIES THAT ARE DONE BROADLY.

16 SO JUST BE CAREFUL ABOUT THE COMPETITIVE
17 NATURE OF IT BECAUSE OF THE DIFFERENCES IN SIZE AND
18 SCOPE OF THEM. BUT WE TAKE THE POINT THAT YOU'RE
19 MAKING, DUANE, AND WE WILL GIVE YOU SOME
20 QUANTITATIVE INFORMATION NEXT TIME.

21 MR. ROTH: SO IF I COULD JUST RESPOND.
22 AND I APPRECIATE THAT. THAT WAS REALLY WHAT I HAD
23 IN MIND. I REALIZE THE SCOPE IS DIFFERENT, BUT I
24 THINK THAT'S WHAT THE EXTERNAL REVIEW REALLY
25 IDENTIFIED. FUND THE BEST. DON'T BE TEMPTED TO

BARRISTERS' REPORTING SERVICE

1 FUND EVERYTHING BECAUSE IT'S ALL IMPORTANT, BUT WE
2 HAVE TO FUND THE BEST.

3 CHAIRMAN KLEIN: SO SPECIFICALLY IN THE
4 REPORT, IT WOULD BE GOOD TO REPORT AS WELL ON THE
5 PROGRAMMATIC GOALS BECAUSE, AS WE ALL REMEMBER, WITH
6 SOME OF THESE AREAS, OUR INTENT WAS TO REALLY BUILD
7 A FOUNDATION FOR ADDITIONAL CAPACITY.
8 PROGRAMMATICALLY WE WENT INTO SOME AREAS OF THE
9 STATE THAT AREN'T AS WELL REPRESENTED IN THE
10 LEADERSHIP IN THE STEM CELL MOVEMENT SO THAT THIS IS
11 A WAY THAT AT A VERY LOW COST WE COULD
12 PROGRAMMATICALLY DEVELOP THAT AREA. AND WE'VE SEEN
13 FROM THOSE AREAS MAYBE THEY DON'T HAVE \$50 MILLION
14 OF GRANTS AS A RESULT OF IT, BUT THEY MAY HAVE TEN
15 WHERE THERE WAS ESSENTIALLY SOMEONE WITH GREAT
16 TALENT, A GROUP OF BRILLIANT POST DOCS, BUT REALLY
17 THEY NEEDED THIS EQUIPMENT TO CREATE THE FOUNDATION
18 WHICH WOULD PRODUCE POTENTIALLY GREAT RETURNS IN THE
19 FUTURE.

20 SO THAT'S ANOTHER GOAL WE HAVE TO LOOK AT
21 IN LOOKING AT IT. AND ON A LOW PRICE TAG, HIGHLY
22 EFFICIENT PROGRAM LIKE THIS, THE PROGRAMMATIC VALUE
23 WE CAN OUT OF IT CAN BE SIGNIFICANT.

24 ANY ADDITIONAL COMMENTS?

25 DR. TROUNSON: CHAIR, I THINK ALSO THE

BARRISTERS' REPORTING SERVICE

1 DIVERSITY ISSUES. I THINK GIL MENTIONED THAT THE
2 BRIDGES PROGRAMS IS A PART OF IT, BUT THERE ARE ALSO
3 SOME OF THESE ORGANIZATIONS THAT ARE SITED IN
4 COMMUNITIES WHERE THAT IS REALLY QUITE RELEVANT. SO
5 I THINK WE OUGHT TO SEE WHAT WE CAN DO TO BRING THAT
6 UP AS WELL BECAUSE IT IS CLEARLY ONE OF THE ELEMENTS
7 THAT WE NEED TO REPORT ON.

8 CHAIRMAN KLEIN: ABSOLUTELY. WITHIN THE
9 PROGRAMMATIC SCOPE I WAS FOCUSING ON DIVERSITY IN
10 DEVELOPING CAPACITY.

11 ADDITIONAL COMMENTS? COMMENTS FROM THE
12 PUBLIC? ARE THERE PUBLIC COMMENTS? SEEING NO
13 PUBLIC COMMENTS, I'D LIKE TO CALL FOR THE QUESTION.
14 WE'LL DO A ROLL CALL OF ALL MEMBERS.

15 MS. KING: ROLL CALL VOTE. ONLY THE
16 MEMBERS WHO CAN VOTE ON THIS ITEM, INCLUDING THOSE
17 ON THE PHONE. THANK YOU.

18 SO I WILL BE CALLING THE NAMES ONLY OF
19 BOARD MEMBERS WHO ARE ELIGIBLE TO VOTE ON THIS ITEM,
20 INCLUDING THOSE OF YOU ON THE PHONE. EVERYBODY HAS
21 A SHEET OF PAPER IN FRONT OF YOU WITH REGARD TO THIS
22 ITEM. WHAT I NEED YOU TO DO, PLEASE, IS SIGN YOUR
23 NAME AND WRITE FOR ME EITHER CONFLICT OR NO CONFLICT
24 ON IT, WHICH YOU SHOULD KNOW ALREADY. I BELIEVE YOU
25 DO; BUT IF YOU DON'T, YOU'LL KNOW IF I CALL YOUR

BARRISTERS' REPORTING SERVICE

1 NAME OR I DON'T. THANKS.

2 LEEZA GIBBONS.

3 I'M ACTUALLY GOING TO ASK JAMES TO RESTATE
4 THE MOTION FOR EVERYBODY, ESPECIALLY THOSE ON THE
5 PHONE.

6 MR. HARRISON: AS I UNDERSTAND IT, THE
7 MOTION IS TO APPROVE THE PROPOSAL TO PROVIDE
8 SUPPLEMENTAL FUNDS TO EXTEND CIRM SUPPORT FOR SHARED
9 LAB GRANTEES FOR THREE ADDITIONAL YEARS, AND A
10 REQUEST THAT IN THE FUTURE STAFF PROVIDE INFORMATION
11 REGARDING THE PROGRESS AND PRODUCTIVITY OF GRANTEES
12 WHEN REQUESTING GLOBAL APPROVAL.

13 CHAIRMAN KLEIN: INCLUDING PROGRAM GOALS,
14 PROGRAMMATIC GOALS.

15 MS. KING: LEEZA GIBBONS.

16 MS. GIBBONS: YES.

17 MS. KING: BOB KLEIN.

18 CHAIRMAN KLEIN: YES.

19 MS. KING: TED LOVE.

20 DR. LOVE: YES.

21 MS. KING: ROBERT QUINT.

22 DR. QUINT: YES.

23 MS. KING: DUANE ROTH.

24 MR. ROTH: YES.

25 MS. KING: JOAN SAMUELSON.

BARRISTERS' REPORTING SERVICE

1 MS. SAMUELSON: YES.

2 MS. KING: JON SHESTACK, HAVE YOU JOINED
3 US? ART TORRES.

4 MR. TORRES: AYE.

5 MS. KING: THE MOTION DOES CARRY.

6 CHAIRMAN KLEIN: THANK YOU VERY MUCH. AND
7 PLEASE, FOR ALL OF THOSE MEMBERS OF SHARED LABS
8 LISTENING, I THINK ONE OF THE SHARED LABS DIRECTORS
9 IS HERE, DR. LORING, PLEASE COMMUNICATE OUR
10 APPRECIATION OF THE DEDICATION AND PASSION IN WHICH
11 THOSE LABS HAVE BEEN USED SO PRODUCTIVELY TO ADVANCE
12 MEDICINE AND STEM CELL RESEARCH SPECIFICALLY IN THIS
13 STATE.

14 THE NEXT ITEM IS ITEM 8, AND WE WILL
15 RECUSE MR. HARRISON FROM THIS ITEM. MR. TOCHER, I'M
16 GOING TO LOOK TO YOU ON DIRECTING ANY VOTE HERE. SO
17 THIS IS AN ITEM TO SUPPLEMENT THE CONTRACT. IT IS
18 VERY IMPORTANT -- EXCUSE ME. IT'S ITEM 8. IT IS
19 VERY IMPORTANT TO NOTE THAT WITH THE EVALUATION
20 PROCESS THAT HAD TO BE SET UP FROM SCRATCH FOR THE
21 CHAIR AND THE PRESIDENT AND FOR OTHER EXTRAORDINARY
22 ITEMS NOT ORIGINALLY BUDGETED WITHIN THE WORK OF THE
23 BOARD COUNSEL FOR THE YEAR, THAT THERE HAS BEEN A
24 SUPPLEMENTAL REQUIREMENT UNDER THIS CONTRACT.

25 MR. TOCHER, WOULD YOU LIKE TO SUMMARIZE

BARRISTERS' REPORTING SERVICE

1 FOR ME THE DOLLAR AMOUNT SUPPLEMENT IF YOU WOULD,
2 PLEASE.

3 MR. TOCHER: MR. CHAIR, THE INFORMATION,
4 AGAIN, IS BEHIND YOUR TAB 8. THE SUPPLEMENTAL
5 AMOUNT INCLUDES \$160,000 TO THE END OF THIS FISCAL
6 YEAR.

7 CHAIRMAN KLEIN: THANK YOU. I WOULD
8 EMPHASIZE TOO IN THIS WORK PRODUCT WE HAVE THE
9 BENEFIT OF EXTRAORDINARY DEPTH OF THE OUTSIDE
10 COUNSEL THAT HE BRINGS TO EVERY ONE OF THE ANALYSES
11 IN ADVISING THE BOARD, THE BENEFIT OF GOING THROUGH
12 A HIGHLY CONTESTED CAMPAIGN WHERE HE DID TREMENDOUS
13 AMOUNT OF RESEARCH AS PART OF THE TEAM OF LAWYERS
14 THAT WORKED WITH ME IN THE DEVELOPMENT OF THIS
15 INITIATIVE. HE HAD THE PATIENCE TO SIT THROUGH MY
16 200 DRAFTS, WHICH I APPRECIATE.

17 BUT WITHIN THE INITIATIVE PROCESS ITSELF,
18 THE LITIGATION EXPERIENCE BROUGHT EVERY PERIOD AND
19 COMMA OF THIS INITIATIVE INTO QUESTION AS WELL AS
20 OUR PRACTICES OVER A TWO-YEAR PERIOD. AND WITH THE
21 KNOWLEDGE GAINED IN RESEARCHING THE CASES AND
22 EXPLORING THAT, I THINK HE HAS BROUGHT TREMENDOUS
23 VALUE TO OUR CURRENT DECISIONS AND WORK. SO WITH
24 THAT, I'D LIKE TO SEE IF THERE'S A MOTION TO
25 APPROVE.

BARRISTERS' REPORTING SERVICE

1 MR. TORRES: SO MOVED.

2 DR. LOVE: SECOND.

3 MR. TOCHER: CHAIRMAN KLEIN, JUST TO
4 CLARIFY, IN ANSWERING YOUR QUESTION, THERE ARE TWO
5 PARTS OF THIS ITEM. ONE IS TO SUPPLEMENT THE
6 EXISTING CONTRACT, AND THE NEXT IS TO EXECUTE A NEW
7 CONTRACT. SO YOU CAN SPLIT THOSE UP OR YOU COULD
8 TAKE IT TOGETHER AS YOU CHOOSE.

9 MR. TORRES: MY MOTION INCLUDES BOTH.

10 CHAIRMAN KLEIN: OKAY. I WAS GOING TO
11 HANDLE THEM SEPARATELY, BUT THE MOTION CARRIES THE
12 DAY. MOTION IS TO HANDLE BOTH. DOES THE SECOND
13 COVER BOTH?

14 DR. LOVE: YES.

15 CHAIRMAN KLEIN: IT DOES. DISCUSSION?

16 DR. LOVE: I HAVE A QUESTION FOR SCOTT.
17 THE 160 IS ON A BASE OF WHAT? IT'S NOT 545. WHAT'S
18 THE BASE THAT THE 160 IS BEING ADDED TO?

19 MR. TOCHER: 475.

20 CHAIRMAN KLEIN: ADDITIONAL QUESTIONS?
21 OKAY. PUBLIC COMMENT? SEEING NO PUBLIC COMMENT,
22 WITH THE MEMBERS PRESENT, WE SHOULD BE ABLE TO DO A
23 VOICE VOTE AND THEN TAKE A ROLL CALL ON MEMBERS ON
24 THE PHONE, CORRECT?

25 MR. TOCHER: THAT'S RIGHT.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: ALL IN FAVOR.

2 (CHORUS OF AYES.)

3 CHAIRMAN KLEIN: OPPOSED. MELISSA, FOR
4 THOSE ON THE PHONE.

5 MS. KING: SHLOMO MELMED.

6 DR. MELMED: APPROVE.

7 MS. KING: OSWALD STEWARD.

8 DR. STEWARD: AYE.

9 MS. KING: IS THERE ANYONE ON THE PHONE
10 THAT I DID NOT CALL? THE MOTION CARRIES.

11 CHAIRMAN KLEIN: THANK YOU VERY MUCH.

12 MR. TORRES: THANK YOU, JAMES HARRISON.

13 CHAIRMAN KLEIN: CAN WE HAVE A ROUND OF
14 APPLAUSE FOR JAMES HARRISON.

15 (APPLAUSE.)

16 CHAIRMAN KLEIN: THANK YOU FOR YOUR
17 DEDICATED SERVICE AND ALL OF THE LATE NIGHTS,
18 WEEKENDS, HOLIDAYS, AND OTHER DATES THAT I HAVE
19 CALLED YOU OR OTHER MEMBERS OF THE BOARD HAVE CALLED
20 YOU WHERE WE HAVEN'T SEEN A BILL FOR MUCH OF THAT
21 TIME, SO WE DEEPLY APPRECIATE YOUR SERVICE AND
22 COMMITMENT TO THIS MISSION.

23 ALL RIGHT. LIKE TO GO TO ITEM 9. AND,
24 DR. TROUNSON, WHO WOULD YOU LIKE TO PRESENT THIS
25 ITEM?

BARRISTERS' REPORTING SERVICE

1 DR. TROUNSON: I'M ASKING IAN SWEEDLER TO
2 PRESENT THIS ITEM, CHAIR.

3 CHAIRMAN KLEIN: THANK YOU VERY MUCH.

4 MR. SWEEDLER: GOOD MORNING. I'M GOING TO
5 TELL YOU A LITTLE BIT ABOUT THE PROCESS WE'VE TAKEN
6 TO GET HERE AND THE PROPOSAL, AND I WILL DEFER TO
7 DR. TROUNSON TO TALK ABOUT THE SCIENTIFIC AND
8 MISSION-RELATED NEED FOR THIS JOURNAL.

9 WE'VE DISCUSSED THIS WITH THE BOARD AND
10 THE FINANCE COMMITTEE ON SEVERAL OCCASIONS. THE
11 BACKGROUND IS THAT DR. TROUNSON BROUGHT THIS TO THE
12 FINANCE COMMITTEE AND THE BOARD IN JUNE OF LAST YEAR
13 IN THE CONTEXT OF INCLUDING FUNDING IN THE BUDGET.
14 THE PROCESS THAT THE BOARD APPROVED TO GO FORWARD
15 WAS THAT WE WOULD GO BACK TO THE FINANCE
16 SUBCOMMITTEE ONCE WE HAD DEVELOPED THE KEY TERMS FOR
17 THE SOLICITATION, THE REQUEST FOR PROPOSALS. WE
18 WOULD THEN ISSUE THAT REQUEST FOR PROPOSALS, REVIEW
19 THEM, SELECT A PUBLISHER, AND THEN RETURN TO YOU FOR
20 APPROVAL OF THE PUBLISHER WHO'S BEEN SELECTED.

21 WE'VE BEEN THROUGH THOSE FIRST TWO STEPS,
22 AND WE'RE HERE WITH THE THIRD ONE NOW.

23 THE KEY ELEMENTS FOR THIS PROPOSAL ARE
24 THAT THIS WILL BE A JOURNAL UNLIKE MOST JOURNALS OUT
25 THERE DEALING WITH STEM CELL SCIENCE, IN FACT, AS I

BARRISTERS' REPORTING SERVICE

1 UNDERSTAND IT, UNLIKE ANY, WITH A SPECIFIC FOCUS ON
2 TRANSLATIONAL ASPECTS OF THE FIELD. THIS WILL BE A
3 PEER-REVIEWED JOURNAL COMPLIANT WITH ALL OF THE
4 STANDARDS YOU WOULD EXPECT FOR A SCIENTIFIC JOURNAL
5 AND AN EMPHASIS ON THE FACT THAT IT WILL BE
6 EDITORIALY INDEPENDENT OF CIRM.

7 IT WILL BE PUBLISHED ONLINE AND WILL
8 PROVIDE OPEN ACCESS IN KEEPING WITH THE GOALS TO
9 HAVE A JOURNAL THAT WILL CONTRIBUTE AS MUCH AS
10 POSSIBLE TO ADVANCEMENT OF THE FIELD.

11 CIRM'S ROLE IS THAT IN ORDER TO GET THIS
12 UP AND RUNNING, WE WILL PROVIDE UP TO \$200,000 PER
13 YEAR OF SUBSIDY FOR UP TO THREE YEARS FOR THE EARLY
14 YEARS OF A JOURNAL, WHICH ARE EXPECTED TO BE A
15 FINANCIALLY LOSING PROPOSITION. CIRM WILL SUBMIT
16 OCCASIONAL SHORT ARTICLES ON ISSUES RELATED TO
17 TRANSLATIONAL DEVELOPMENTS IN STEM CELL RESEARCH.
18 AS I MENTIONED, AGAIN, THE EMPHASIS ON EDITORIAL
19 INDEPENDENCE.

20 WE ISSUED THE REQUEST FOR PROPOSALS IN
21 NOVEMBER. WE GOT SEVERAL RESPONSES FROM EXCELLENT
22 ORGANIZATIONS, BUT ONE OF THEM REALLY STOOD OUT AS
23 BEING THE BEST RESPONSE. WE HAD AN INTERNAL
24 COMMITTEE OF VARYING EXPERTISE WHO REVIEWED THE
25 RESPONSES, AND THEY ALL AGREED ON THE PROPOSAL FROM

BARRISTERS' REPORTING SERVICE

1 ALPHAMED PRESS. IT STOOD OUT FOR THEY HAVE
2 SUBSTANTIAL PUBLISHING EXPERIENCE, INCLUDING A REAL
3 DEPTH OF EXPERIENCE IN THE STEM CELL FIELD. THEY
4 ENTHUSIASTICALLY EMBRACED THE KEY ELEMENTS OF WHAT
5 WE WERE TRYING TO DO HERE. THEY HAD A DETAILED
6 IMPLEMENTATION PLAN AND A DETAILED BUDGET, AN EDITOR
7 IN PLACE, AND THEY HAVE AN EDITORIAL OFFICE IN
8 CALIFORNIA.

9 SO ONCE WE HAVE APPROVAL FROM THE BOARD TO
10 PROCEED WITH THIS PUBLISHER, WE WILL COMPLETE
11 CONTRACT NEGOTIATIONS THAT WILL INCLUDE SPECIFIC
12 BENCHMARKS AND MILESTONES. A LITTLE BIT OF THAT IS
13 DESCRIBED IN THE MEMO THAT'S IN YOUR BINDERS AND HOW
14 THAT'S EVOLVED A BIT. IN ORDER TO KEEP EVERYTHING
15 ON TRACK FOR HAVING THE FIRST FULL ISSUE OUT IN
16 JANUARY, WE EXPECT TO HAVE THAT CONTRACT IN PLACE
17 WITHIN THE NEXT FEW WEEKS.

18 AND I WILL DEFER TO DR. TROUNSON TO TALK
19 ABOUT THE ROLE OF A JOURNAL LIKE THIS IN THE
20 RESEARCH AND MISSION EFFORT.

21 DR. TROUNSON: THANK YOU, IAN. I THINK
22 WE'VE DISCUSSED THIS WITH THE BOARD AND WITH THE
23 FINANCE COMMITTEE QUITE A BIT. THE NEED FOR A
24 TRANSLATIONAL JOURNAL IS STRONGLY RECOGNIZED IN THE
25 INTERNATIONAL STEM CELL RESEARCH SOCIETY, AND THEY

BARRISTERS' REPORTING SERVICE

1 WERE VERY VIGOROUS IN THEIR SUPPORT OF US ENABLING A
2 JOURNAL IN THIS AREA.

3 SOME OF THE ISSUES IN TRANSLATION IS THAT
4 THE WORK TENDS TO BE, IF IT IS PUBLISHED, IT'S
5 PUBLISHED ALL OVER THE PLACE, BUT FREQUENTLY
6 MESSAGES OF DIFFICULTY OR LACK OF SUCCESS ARE NOT
7 PUBLISHED BECAUSE IT'S TOO DIFFICULT. AND IF YOU GO
8 TO THE MAJOR TRANSLATIONAL JOURNALS, THE FREQUENT
9 RESPONSE IS, SORRY, WE'RE LOOKING FOR GOOD NEWS
10 STORIES, WHICH ARE ONES THAT HAVE BEEN SUCCESSFUL.

11 THE LEARNING AND TRANSLATION COMES FROM
12 BOTH NEGATIVE AND POSITIVE MESSAGES, DATA. AND SO
13 WHEN WE'VE BEEN TALKING WITH THE FDA AND WITH OUR
14 COLLEAGUES IN THE TRANSLATIONAL AREA, THEY STRONGLY
15 SUPPORT A JOURNAL THAT WOULD ADDRESS THESE KIND OF
16 ISSUES, PARTICULARLY IN A YOUNG AREA WHERE CELL
17 THERAPIES ARE ONLY JUST BECOMING MORE COMMONLY
18 RECOGNIZED AS BEING GOING UP THAT FDA PIPELINE.

19 SO WHILE PERHAPS I WAS A LITTLE
20 DISAPPOINTED WE DIDN'T GET MORE THAN THREE
21 APPLICATIONS IN, SOME OF THE MAJOR JOURNALS WHO HAD
22 INDICATED THEY WERE GOING TO DO SOMETHING ACTUALLY
23 DIDN'T DO IT. I CAN ONLY SURMISE THAT THEY GOT
24 CONCENTRATED ON OTHER ISSUES. BUT THIS WAS AN
25 OUTSTANDING APPLICATION AND INCLUDED THE

BARRISTERS' REPORTING SERVICE

1 IDENTIFICATION OF DR. TONY ATALA AS THE EDITOR.
2 TONY IS REALLY ONE OF THOSE WORLD RENOWN CHARACTERS
3 WHO JUST RECENTLY PUBLISHED, AND I WOULD HAVE
4 BROUGHT THAT TO YOU IF I DONE A MORE CONVENTIONAL
5 PRESIDENT'S PRESENTATION, OF WORK NOW THAT HE'S BEEN
6 DOING FOR SEVEN YEARS ON REBUILDING URETHRAS FOR
7 YOUNG PEOPLE WHO HAVE LOST THOSE URETHRAS, AND IT'S
8 BEEN VERY, VERY EFFECTIVE.

9 HE'S A VERY SPECIAL CHARACTER, AND I THINK
10 HE'S A VERY SORT OF MILESTONE PERSON IN THIS AREA.
11 AND I LIKE THE FACT THAT THEY DID CHOOSE TONY FOR
12 THE EDITOR'S JOB. THEY ALSO HAVE A VERY GOOD GROUP
13 OF PEOPLE THAT THEY ARE GOING TO APPROACH IF IT WAS
14 AWARDED. AND I DON'T THINK I CAN ACTUALLY RELEASE
15 THAT TO YOU PUBLICLY AT THIS POINT BECAUSE THEY
16 HAVEN'T ASKED SPECIFICALLY.

17 LET ME TELL YOU THAT THERE ARE PEOPLE OF
18 NOTE IN CALIFORNIA THERE. AND THEIR OFFICES ARE
19 ACTUALLY CITED IN PALO ALTO, WHICH I SUPPOSE WILL
20 PLEASE SOME PEOPLE. BUT THEY HAVE OFFICES THERE,
21 AND THEY'RE GOING TO EXPAND THEM. THIS GROUP
22 ACTUALLY PUBLISHES THE JOURNAL *THE ONCOLOGIST*. AND
23 I THINK THOSE WHO HAVE BEEN IN CANCER WILL RECOGNIZE
24 THAT AS A VERY GOOD CLINICAL JOURNAL. AND THEIR
25 OTHER JOURNAL IS *STEM CELLS*, WHICH IS PROBABLY THE

BARRISTERS' REPORTING SERVICE

1 MOST -- ON VOLUME IS THE MOST APPROACHED JOURNAL IN
2 STEM CELLS, BUT IT IS VERY BASIC.

3 AND SO WHAT IT'S NOT GOT IS THIS
4 TRANSLATIONAL CAPACITY, AND THEY WEREN'T PREPARED TO
5 PUT THAT IN BECAUSE THEY'RE KIND OF OVERWHELMED AND
6 THEY WANTED ANOTHER JOURNAL WHICH THEY WOULD SORT OF
7 FOCUS ON WITH THE CHARACTERISTICS THAT WE REQUIRED
8 OF THEM.

9 CHAIRMAN KLEIN: OKAY. BOARD MEMBER
10 COMMENTS?

11 DR. PIZZO: AS ALAN KNOWS, I HAD MY
12 AMBIVALENCE ABOUT THIS PROJECT TO START WITH, BUT I
13 WAS PERSUADED ON THE BASIS OF HIS PRIOR
14 PRESENTATIONS THAT THIS WAS A MERITORIOUS DIRECTION
15 TO PROCEED WITH. AND KNOWING TONY ATALA FROM PAST
16 WORK WITH HIM, HE IS FANTASTIC. AND ACTUALLY I
17 TOTALLY AGREE. THIS IN MANY WAYS FURTHER VALIDATES
18 THE SIGNIFICANCE OF THIS AND CERTAINLY LEADS ME TO
19 STRONGLY SUPPORT IT.

20 CHAIRMAN KLEIN: ADDITIONAL BOARD
21 COMMENTS?

22 MS. SAMUELSON: ALAN, CAN YOU EXPLAIN HOW
23 PEER REVIEW IS CONDUCTED AND WHO WOULD CONDUCT IT IN
24 THIS CASE?

25 DR. TROUNSON: SO THE JOURNAL IS

BARRISTERS' REPORTING SERVICE

1 COMPLETELY INDEPENDENT. THIS PARTICULAR JOURNAL,
2 BECAUSE THEY PUBLISH IN STEM CELLS, HAS GOT A VERY
3 MAJOR NETWORK OF REVIEWERS FROM AROUND THE WORLD.
4 SO WHAT THEY'RE GATHERING IN ADDITION ARE ALL OF THE
5 SCIENTISTS GLOBALLY WHO WOULD ACT AS THEIR
6 REVIEWERS. SO YOU HAVE TO GET THREE REVIEWS, AND
7 THEN IT HAS TO GO TO THE EDITORIAL -- IT GOES TO THE
8 EDITORIAL STAFF, WHO THEN DECIDE UPON THE MERITS OF
9 THE THREE REVIEWS, AND EITHER ACCEPT THE JOURNAL OR
10 REJECT IT OR ASK A FURTHER ADVICE FROM YET OTHER
11 REVIEWERS.

12 AND SO THEY'VE GOT ELECTRONIC SYSTEMS IN
13 PLACE, AND THEY LOOK LIKE THEY CAN DO THAT
14 PARTICULAR JOB. SO IT'S PEER REVIEWED FROM AN
15 INTERNATIONAL BASIS WITH PEOPLE WHO WOULD HAVE THE
16 BEST EXPERIENCE, I THINK, ACROSS THE GLOBE ACTUALLY.

17 MS. SAMUELSON: DO THEY HAVE A WEBSITE OR
18 SOMETHING THAT WOULD DESCRIBE WHO THOSE PEOPLE ARE
19 SPECIFICALLY?

20 DR. TROUNSON: THEY DO. THE JOURNAL HAS
21 ACTUALLY PUBLISHED THE NAMES OF THEIR REFEREES.
22 AND, OF COURSE, IT HASN'T STARTED. SO WE WILL TAKE
23 THAT TO MAKE SURE THAT THEY DO. BUT NOW MOST
24 JOURNALS ACTUALLY PUBLISH THE NAME OF ALL OF THEIR
25 REVIEWERS. THEY DON'T TELL YOU WHICH PAPER THEY

BARRISTERS' REPORTING SERVICE

1 REVIEWED AND SO FORTH BECAUSE THEY KEEP THAT
2 ANONYMOUS, BUT YOU GET THE LIST OF REVIEWERS, YES.

3 MS. SAMUELSON: BECAUSE I GUESS I
4 UNDERSTAND THE NEED FOR INDEPENDENCE. IT SOUNDS
5 APPROPRIATE, ALTHOUGH I'M NOT SURE I ENTIRELY
6 UNDERSTAND IT, NOT BEING IN THE FIELD. BUT AT THE
7 SAME TIME, IT'S CALIFORNIA MONEY. SO WE DO OWE IT
8 THE STANDARDS OF EXCELLENCE, INCLUDING PEER REVIEW.

9 DR. TROUNSON: AGREEABLE. I THINK THEIR
10 BUDGET, AND I CAN'T REMEMBER THE EXACT FIGURE, BUT
11 IT'S AROUND -- THEIR ANNUAL BUDGET IS AROUND ABOUT
12 ONE MILLION A YEAR, 800,000 TO A MILLION A YEAR. SO
13 WE ARE CONTRIBUTING UP TO 200,000 FOR THE FIRST
14 THREE YEARS, AND THEY HAVE A BUSINESS PLAN NOW THAT
15 GOES FIVE YEARS. SO THE EXTRA TWO YEARS THEY ARE ON
16 THEIR OWN, AND THEY BELIEVE THEIR BUSINESS PLAN IS
17 SUITABLY ORIENTED TO BE ABLE TO ACCOMMODATE FOR
18 THAT.

19 MS. SAMUELSON: AND THAT BUDGET IS FOR
20 THAT JOURNAL, NOT THE FULL TOTAL NUMBER OF JOURNALS.

21 DR. TROUNSON: NO. NO. THAT'S EXACTLY
22 FOR THAT JOURNAL, YES. THEY BUDGETED INDEPENDENTLY.

23 MS. SAMUELSON: IS THERE A PROJECTED START
24 DATE?

25 DR. TROUNSON: THE PROJECTED START DATE

BARRISTERS' REPORTING SERVICE

1 WAS JUNE OF THIS YEAR.

2 MR. SWEEDLER: JANUARY.

3 DR. TROUNSON: I'VE JUST BEEN ADVISED IT
4 WAS DELAYED BECAUSE OF OUR DECISION UNTIL DECEMBER
5 OR JANUARY.

6 MR. SWEEDLER: THE FIRST FULL ISSUE WOULD
7 BE JANUARY OF 2012.

8 MS. SAMUELSON: THANK YOU.

9 CHAIRMAN KLEIN: OKAY. IT WOULD BE, I
10 THINK, HELPFUL FOR THE PUBLIC IN UNDERSTANDING THIS,
11 DR. TROUNSON, IF INSTEAD OF WE TALKED ABOUT NEGATIVE
12 RESULTS, IF WE TALK ABOUT RICH, HIGHLY INFORMATIVE
13 RESULTS THAT ARE DIFFERENT THAN THE ORIGINAL
14 HYPOTHESIS OF THE EXPERIMENT. SO THAT THE PUBLIC
15 REALLY UNDERSTANDS THAT IT'S POSITIVE INFORMATION
16 WE'RE GAINING AS TO WHAT WORKED AND WHAT DIDN'T
17 WORK, WHICH MAY BE VERY DIFFERENT FROM THE ORIGINAL
18 HYPOTHESIS. BUT THE WORD "NEGATIVE RESULTS" IS
19 DIFFICULT FOR THE PUBLIC TO INGEST. THEY'RE JUST
20 NOT SO EMBEDDED IN THE FIELD.

21 BUT IT CERTAINLY IS AN AREA WHERE WE COULD
22 ENRICH THE FIELD TREMENDOUSLY AND, AS YOU SAY,
23 ADVANCE RESEARCH BY MAKING CERTAIN THAT THOSE PATHS
24 THAT HAVE BEEN TRIED ARE FULLY EXPLAINED SO THAT THE
25 NEXT RESEARCHER DOESN'T REPEAT THAT SAME GROUND

BARRISTERS' REPORTING SERVICE

1 WITHOUT SOME REFINEMENT OR SOPHISTICATION.

2 DR. PIZZO: I'D LIKE TO MAKE ONE OTHER
3 COMMENT THAT'S NOT DIRECTLY RELATED TO A JOURNAL,
4 BUT YOU TRIGGERED THE COMMENT FOR ME, BOB. WHICH IS
5 YOU'RE QUITE RIGHT THAT NEGATIVE RESULTS OFTEN DON'T
6 MAKE IT TO PUBLICATION, AND THERE ARE LOTS OF
7 REASONS FOR THAT, SOME OF WHICH ARE MERITORIOUS AND
8 SOME OF WHICH ARE UNFORTUNATE. BUT I THINK THAT WE
9 OUGHT TO, THIS IS, AGAIN, UNRELATED TO THE JOURNAL
10 PER SE, UNDERSTAND THAT FOR CIRM-FUNDED PROJECTS, WE
11 SHOULD HAVE AN AGREEMENT THAT NEGATIVE RESULTS WILL
12 ALWAYS GET PUBLISHED. IN OTHER WORDS, IF WE'RE
13 PRESCRIBING IN THIS DIRECTION, WE SHOULD FOLLOW THAT
14 AND NOT HAVE THE SITUATION ARISE WHERE, BECAUSE
15 SOMETHING IS NEGATIVE, AS LONG AS IT'S ADEQUATELY
16 DONE IN PEER REVIEW, THAT IT DOESN'T SEE THE LIGHT
17 OF DAY.

18 DR. TROUNSON: WE COMPLETELY AGREE, PHIL.
19 AND WE HAVE THAT -- THAT IS PART OF OUR AGREEMENTS.
20 THE ONLY THING IS THAT THERE'S SOME SENSITIVITY IN
21 TIME FOR SOME COMMERCIAL ENTITIES, SO THERE IS A
22 TIMING ISSUE BUILT INTO SOME OF THIS.

23 DR. PIZZO: I APPRECIATE THAT, BUT I ALSO,
24 JUST FOR THE RECORD, KNOW THAT THERE HAS BEEN ACTIVE
25 SUPPRESSION SOMETIMES BY COMMERCIAL INTERESTS IN

BARRISTERS' REPORTING SERVICE

1 HAVING NEGATIVE RESULTS PUBLISHED. AND I THINK WE
2 JUST WANT TO TAKE THE HIGH ROAD ON THAT AND BE SURE
3 THAT ALL OF OUR, QUOTE, NEGATIVE RESULTS, THAT ARE
4 APPROPRIATELY DONE AND ADEQUATELY PEER REVIEWED DO
5 GET PUBLISHED.

6 CHAIRMAN KLEIN: AND, DR. PIZZO, IN
7 CONTEXT TO THE POINT I JUST MADE, IN OUR DISCUSSIONS
8 WE MAY REFER IN SHORTHAND TO NEGATIVE RESULTS, BUT
9 HOPEFULLY WHEN THIS IS TRANSLATED OUT, WE TALK ABOUT
10 THE HIGHLY SIGNIFICANT RESULTS THAT ARE DIFFERENT
11 THAN THE ORIGINAL HYPOTHESIS SO THAT PEOPLE WHO ARE
12 READING ABOUT OUR EXPENDITURES IN THE PUBLIC GET
13 THAT.

14 DR. PIZZO: I ACCEPT THAT MODIFICATION.

15 CHAIRMAN KLEIN: THANK YOU.

16 MS. SAMUELSON: MR. CHAIRMAN AND DR.
17 PIZZO, DO YOU THINK WE SHOULD AGENDIZE THAT FOR A
18 FORMAL MOTION?

19 CHAIRMAN KLEIN: AS A SEPARATE ITEM
20 RELATED TO OUR CURRENT RESULTS?

21 MS. SAMUELSON: YES. SOUNDS IMPORTANT
22 ENOUGH THAT WE DON'T WANT --

23 CHAIRMAN KLEIN: AS A SEPARATE ITEM, WE
24 CAN AGENDIZE THAT IN THE FUTURE.

25 MR. SWEEDLER: I WAS JUST GOING TO MENTION

BARRISTERS' REPORTING SERVICE

1 BY SERENDIPITY THAT THIS IS AN ISSUE THAT DR.
2 TROUNSON HAS ALREADY ASKED ME TO LOOK INTO, MODEL
3 POLICIES AT OTHER AGENCIES ABOUT DATA SHARING AND
4 PUBLICATION REQUIREMENTS AND WHAT WE CAN BE DOING TO
5 MAKE SURE THAT WE HAVE THE RIGHT POLICY AT CIRM. SO
6 IT'S ON ITS WAY TO YOU ANYWAY.

7 CHAIRMAN KLEIN: WE CAN SEE IF WE CAN
8 BRING THAT BACK AT THE MAY MEETING OR THE JUNE
9 MEETING UNDER SOMEONE ELSE'S CHAIRMANSHIP.

10 MS. BAUM: I WANTED TO MAKE A STATEMENT
11 AND CAUTION THAT THE INTEREST IN PUBLICIZING THE
12 DATA NEEDS TO BE WEIGHED AGAINST THE INTEREST IN
13 ENSURING THAT WE HAVE ACTIVE PARTICIPATION IN OUR
14 GRANT PROCESSES BECAUSE SOME MIGHT NOT WANT TO
15 PARTICIPATE IF THEY FEEL THAT THEY ARE REQUIRED TO
16 PUBLISH PROPRIETARY INFORMATION. SO WE WILL LOOK
17 FOR A WAY TO SERVE BOTH NEEDS AND DO IT JUDICIOUSLY.

18 CHAIRMAN KLEIN: THANK YOU VERY MUCH.
19 THIS HAS BEEN A TOPIC OF SIGNIFICANT POINT AND
20 COUNTERPOINT DISCUSSIONS, BUT WE SHOULD BRING IT
21 BACK SO THE BOARD CAN LOOK AT IT ON A POLICY LEVEL.
22 THANK YOU.

23 ALL RIGHT. WITH THAT, MEMBERS OF THE
24 PUBLIC COMMENT?

25 MR. REED: DON REED. THIS IS FOR DR.

BARRISTERS' REPORTING SERVICE

1 PIZZO. I REMEMBER WHEN ANTHONY ATALA'S WORK WAS
2 HELD UP AS THE REASON WHY EMBRYONIC STEM CELL
3 RESEARCH SHOULD NOT GO FORWARD. I BELIEVE HE HAS
4 HIMSELF FELT -- STATED PUBLICLY THAT ALL FORMS
5 SHOULD GO FORWARD, BUT I WONDER IF YOU HAVE ANY
6 COMMENTS ON THAT BECAUSE IF HE'S GOING TO BE
7 INDEPENDENT, WE HAVE TO KNOW THAT HE'S OPEN-MINDED.

8 DR. PIZZO: SAY THE LAST PART AGAIN.

9 MR. REED: I SAID IF HE'S GOING TO BE
10 INDEPENDENT, WE HAVE TO KNOW THAT HE'S OPEN-MINDED
11 BECAUSE OUR WORK DOES FUND EMBRYONIC STEM CELL
12 RESEARCH, AND HIS WORK WAS HELD UP AS A REASON NOT
13 TO FUND IT.

14 DR. PIZZO: I THINK THAT WAS A HIGHLY
15 POLITICAL SITUATION UNRELATED TO THIS. HE IS A
16 PERSON WITH ABOUT THE HIGHEST INTEGRITY AND GREATEST
17 AND MOST PROFOUND WORK ETHIC THAT I INTERACTED WITH
18 MY LIFE IN MEDICINE.

19 MR. REED: I'M SURE THAT HE IS, AND I'M
20 GLAD TO HEAR THAT. IT IS IMPORTANT.

21 CHAIRMAN KLEIN: BUT INDEPENDENTLY, DON,
22 HE SPECIFICALLY SUPPORTS HUMAN EMBRYONIC STEM CELL
23 RESEARCH RIGOROUSLY AND CONSISTENTLY.

24 MR. REED: THANK YOU.

25 CHAIRMAN KLEIN: ADDITIONAL PUBLIC

BARRISTERS' REPORTING SERVICE

1 COMMENT? DO WE HAVE A MOTION TO PASS THIS? YES.

2 DR. BLOOM: SO MOVED.

3 CHAIRMAN KLEIN: SECOND?

4 DR. BRYANT: SECOND.

5 CHAIRMAN KLEIN: DR. BLOOM IS THE MOTION;
6 DR. BRYANT IS THE SECOND. I HEAR NO PUBLIC COMMENT;
7 IS THAT CORRECT? JUST CONFIRMING IT BECAUSE THE
8 MOTION WASN'T ACTUALLY ON THE TABLE AT THE TIME. I
9 KNOW YOU WOULD APPRECIATE THAT. SO IF WE COULD HAVE
10 A VOTE. WE DON'T HAVE CONFLICTS HERE SO THAT WE CAN
11 DO A VOICE VOTE OF THESE MEMBERS AND THEN DO ROLL
12 CALL ON THE PHONE. ALL IN FAVOR.

13 (CHORUS OF AYES.)

14 CHAIRMAN KLEIN: OPPOSED. AND ON THE
15 PHONE.

16 MS. KING: SHLOMO MELMED.

17 DR. MELMED: YES.

18 MS. KING: OSWALD STEWARD.

19 DR. STEWARD: ABSTAIN.

20 MS. KING: AND IS THERE ANYONE ON THE
21 PHONE THAT I DID NOT CALL? THANK YOU. THE MOTION
22 CARRIES.

23 CHAIRMAN KLEIN: THANK YOU. WE'RE GOING
24 TO TRY IN LUNCH TO DO AN EXECUTIVE SESSION, SO I
25 DON'T WANT TO START A BIG DISCUSSION IN THE NEXT FEW

BARRISTERS' REPORTING SERVICE

1 MINUTES. ITEM 13, CAN WE ADDRESS ITEM 13, PLEASE,
2 DR. TROUNSON, RECOMMENDATIONS FOR TOOLS AND
3 TECHNOLOGY AWARDS II APPLICATION.

4 DR. TROUNSON: SO THIS WILL BE DR.
5 SAMBRANO AGAIN.

6 CHAIRMAN KLEIN: THANK YOU. DR. SAMBRANO.

7 DR. SAMBRANO: OKAY. MR. CHAIRMAN,
8 MEMBERS OF THE BOARD, MEMBERS OF THE PUBLIC, AT ITS
9 PREVIOUS MEETING THE BOARD CONSIDERED
10 RECOMMENDATIONS FROM THE GRANTS WORKING GROUP
11 REGARDING APPLICATIONS FOR RFA 10-02. THIS WAS THE
12 TOOLS AND TECHNOLOGIES RESEARCH AWARDS. IN
13 PARTICULAR, THERE WAS ONE APPLICATION, RT2-01985.

14 THE ICOC FOR THIS PARTICULAR APPLICATION
15 EXERCISED THE OPTION OF REQUESTING ADDITIONAL
16 ANALYSIS. UNDER THIS POLICY THE APPLICATION WAS
17 DENIED FUNDING SUBJECT TO THE RESULTS OF A LIMITED
18 ANALYSIS ON SPECIFIC ISSUES OF CONCERN HIGHLIGHTED
19 BY THE BOARD.

20 IN THIS PARTICULAR CASE, WE HAVE AN
21 APPLICATION THAT WAS ORIGINALLY NOT RECOMMENDED FOR
22 FUNDING BY THE GRANTS WORKING GROUP WITH A
23 SCIENTIFIC SCORE OF 69. THE APPLICANT FILED AN
24 EXTRAORDINARY PETITION TO THE BOARD THAT, AMONG
25 OTHER THINGS, HIGHLIGHTED A RECENT PUBLICATION THAT

BARRISTERS' REPORTING SERVICE

1 PRESENTED SOME EVIDENCE REGARDING THE FEASIBILITY OF
2 THE PROPOSED WORK.

3 THE REQUEST FOR THE ADDITIONAL ANALYSIS
4 FOCUSED ON TWO ELEMENTS. THE FIRST WAS AN
5 ASSESSMENT OF THE PUBLICATION IN THE JOURNAL *NATURE*
6 OF WORK PERFORMED BY A COLLABORATOR THAT SUPPORTS
7 PRELIMINARY DATA THAT DERIVATION AND CULTURE OF
8 INTESTINAL EPITHELIAL ORGANIDS IS FEASIBLE.
9 ALTHOUGH NOT PUBLISHED AT THE TIME OF THE
10 APPLICATION, SOME OF THE DATA FROM THAT MANUSCRIPT
11 APPEARS IN THE ORIGINAL SUBMITTED PROPOSAL THAT WAS
12 REVIEWED BY THE GRANTS WORKING GROUP.

13 A CRITICISM OF THE REVIEWERS WAS THAT THE
14 APPLICANT HAS NOT DEMONSTRATED THAT THIS WORK CAN BE
15 DONE IN THE APPLICANT'S LAB, AND THAT THE APPLICANT
16 DOES NOT APPEAR IN THE PUBLICATION, MEANING DID NOT
17 DIRECTLY PARTICIPATE IN THE WORK. THE COLLABORATOR,
18 HOWEVER, PROVIDED A LETTER OF SUPPORT IN THE
19 APPLICATION THAT INDICATES A TRANSFER OF KNOWLEDGE
20 AND TRAINING OF THE APPLICANT BY THAT COLLABORATOR.

21 THE SECOND ELEMENT WAS AN ASSESSMENT OF
22 THE RESEARCH TEAM PROPOSED FOR THE PROJECT. ONE OF
23 THE CRITICISMS FROM REVIEWERS WAS THAT THE APPLICANT
24 IS HIGHLY RELIANT ON EXPERTISE OF SEVERAL OUTSIDE
25 COLLABORATORS, SOME WHO ARE AT THE APPLICANT

BARRISTERS' REPORTING SERVICE

1 INSTITUTION AND SOME WHO ARE NOT, FOR THE SUCCESS OF
2 THIS PROJECT.

3 THE APPLICANT EMPHASIZED THE RELEVANCE OF
4 THE EXPERTISE AMONG HIS COLLABORATORS IN THE
5 PETITION, AS WELL AS THE RESOURCES THAT ARE
6 AVAILABLE AT THE HOME INSTITUTION THAT WILL
7 FACILITATE THE WORK.

8 NOW, FOR THE ADDITIONAL ANALYSIS,
9 REVIEWERS CONSIDERED THE APPLICATION ITSELF, THE
10 LETTER OF EXTRAORDINARY PETITION FROM THE PI, THE
11 REVIEW SUMMARY, AND THE RECENT PUBLICATION IN *NATURE*
12 BY THE NAMED COLLABORATOR FOR THE PROPOSED RESEARCH.

13 THE REVIEWERS FOUND THE POINTS RAISED BY
14 THE PI COMPELLING AND RECOMMENDED FURTHER
15 CONSIDERATION BY THE ICOC. CONCERNS OF THE
16 REVIEWERS HAD BEEN ADDRESSED FULLY AND CERTAIN
17 MISPERCEPTIONS HAVE BEEN CLARIFIED. REVIEWERS
18 OBSERVE THAT A WELL-RESPECTED, WORLD RENOWN CLINICAL
19 INVESTIGATOR HAS ASSEMBLED A UNIQUE TEAM OF HIGHLY
20 QUALIFIED SCIENTISTS TO INVESTIGATE A CHILDHOOD
21 DISORDER THAT CAN BE LIFE THREATENING AND MAY HAVE A
22 SUBSTANTIVE EFFECT ON THE QUALITY OF LIFE.

23 AND SO, THEREFORE, THE RECOMMENDATION THAT
24 IS COMING FROM THE ADDITIONAL ANALYSIS PROCESS IS TO
25 APPROVE FUNDING FOR THE APPLICATION AT THE AMOUNT

BARRISTERS' REPORTING SERVICE

1 REQUESTED OF \$1,783,250.

2 CHAIRMAN KLEIN: THANK YOU VERY MUCH.

3 COMMENTS FROM THE BOARD?

4 MR. ROTH: QUESTION. DESCRIBE FOR ME
5 AGAIN THE REVIEWERS, NOT THEIR NAMES, BUT THE TYPES
6 OF PEOPLE THAT WERE INVOLVED IN THE REREVIEW.

7 DR. SAMBRANO: SO THE FIRST STEP OF THE
8 PROCESS IS THAT THE POINTS BROUGHT UP BY THE BOARD
9 GO TO THE ADMINISTRATIVE CHAIR AND THE REVIEW CHAIR
10 OF THE GRANTS WORKING GROUP. AND SO THEY DO THIS
11 INITIAL ANALYSIS. IF THEY AGREE AND CAN FORM A
12 RECOMMENDATION, WHICH THEY DID, THEN WE BRING IT
13 BACK TO YOU.

14 CHAIRMAN KLEIN: OKAY. ADDITIONAL
15 QUESTIONS FROM THE BOARD?

16 MS. KING: I JUST WANT TO CHECK AND SEE IF
17 DR. MARTIN IS ON THE PHONE AND POSSIBLY WANTED TO
18 MAKE A COMMENT.

19 DR. MARTIN: YES, I AM ON THE PHONE.

20 CHAIRMAN KLEIN: DR. MARTIN, DO YOU WANT
21 TO MAKE A COMMENT?

22 DR. MARTIN: NO. I JUST WANT TO THANK THE
23 COMMITTEE FOR CONSIDERING THIS EXTRAORDINARY
24 PETITION. WE HAVE CERTAINLY BEEN IN CONTACT WITH
25 OUR COLLABORATORS IN CINCINNATI. WE'RE BEGINNING

BARRISTERS' REPORTING SERVICE

1 THESE PROJECTS RIGHT NOW, AND WE CERTAINLY HAVE MADE
2 SIGNIFICANT INROADS OVER THE LAST SEVERAL MONTHS.
3 SO WE'RE CERTAINLY VERY DELIGHTED THAT THE COMMITTEE
4 IS CONSIDERING THIS.

5 CHAIRMAN KLEIN: THANK YOU VERY MUCH.
6 ADDITIONAL COMMENTS FROM THE BOARD? IS THERE A
7 MOTION TO APPROVE?

8 MS. SAMUELSON: I'D LIKE TO SO MOVE.

9 CHAIRMAN KLEIN: JOAN SAMUELSON IS MAKING
10 A MOTION TO APPROVE. IS THERE A SECOND?

11 MR. TORRES: SECOND.

12 CHAIRMAN KLEIN: SECOND, SENATOR TORRES.
13 ADDITIONAL DISCUSSION FROM THE BOARD? ADDITIONAL
14 DISCUSSION FROM THE PUBLIC? SEEING NONE, SINCE
15 THERE ARE CONFLICTS ISSUES, COULD YOU PLEASE CALL
16 THE ROLL.

17 MS. KING: SO, AGAIN, I WILL ONLY CALL
18 YOUR NAME IF YOU ARE ELIGIBLE TO VOTE ON THIS ITEM.

19 MS. KING: FLOYD BLOOM.

20 DR. BLOOM: YES.

21 MS. KING: SUSAN BRYANT.

22 DR. BRYANT: YES.

23 MS. KING: TED Krontiris.

24 DR. Krontiris: YES.

25 MS. KING: LEEZA GIBBONS.

BARRISTERS' REPORTING SERVICE

1 MS. GIBBONS: YES.
2 MS. KING: MICHAEL GOLDBERG.
3 MR. GOLDBERG: YES.
4 MS. KING: BOB KLEIN.
5 CHAIRMAN KLEIN: YES.
6 MS. KING: TED LOVE.
7 DR. LOVE: YES.
8 MS. KING: PHIL PIZZO.
9 DR. PIZZO: YES.
10 MS. KING: CLAIRE POMEROY.
11 DR. POMEROY: YES.
12 MS. KING: ELIZABETH FINI.
13 DR. FINI: YES.
14 MS. KING: ROBERT QUINT.
15 DR. QUINT: YES.
16 MS. KING: DUANE ROTH.
17 MR. ROTH: YES.
18 MS. KING: JOAN SAMUELSON.
19 MS. SAMUELSON: YES.
20 MS. KING: JEFF SHEEHY.
21 MR. SHEEHY: YES.
22 MS. KING: OSWALD STEWARD.
23 DR. STEWARD: YES.
24 MS. KING: ART TORRES.
25 MR. TORRES: YES.

BARRISTERS' REPORTING SERVICE

1 MS. KING: JEANNIE FONTANA.

2 DR. FONTANA: YES.

3 MS. KING: I DEFER TO COUNSEL ON PASSAGE
4 OF THE MOTION.

5 MR. HARRISON: MOTION CARRIES.

6 CHAIRMAN KLEIN: OKAY. THANK YOU. THANK
7 YOU VERY MUCH.

8 ALL RIGHT. SO IN TERMS OF MOVING, AGAIN,
9 WITH SOMETHING HOPEFULLY THAT IS A DISCRETE TIME
10 FRAME, ITEM NO. 12, IF WE COULD HAVE A PRESENTATION
11 ON THAT ITEM, PLEASE.

12 DR. TROUNSON: I'M NOT CLEAR WHO'S
13 PRESENTING.

14 CHAIRMAN KLEIN: I THINK WE HAVE TWO PARTS
15 TO ITEM 12. WE HAVE SOMEONE PRESENT IN THE AUDIENCE
16 WHO'S GOING TO MAKE A PRESENTATION FOLLOWED BY A
17 SUMMARY OF THE DOCUMENT THAT YOU HAVE WITH YOU.

18 MS. KING: BEHIND TAB 12.

19 CHAIRMAN KLEIN: IS THAT PERSON PRESENT IN
20 THE AUDIENCE? ITEM 12. MAYBE IN THE HALL ON A
21 PHONE CALL.

22 IF YOU COULD PROVIDE THE CONTEXT OF THE
23 SUMMIT THAT'S HAPPENING IN PASADENA THIS YEAR ON
24 OCTOBER 3D THROUGH 5TH, AND THEN SPECIFICALLY
25 ADDRESS THIS ITEM, PLEASE.

BARRISTERS' REPORTING SERVICE

1 MR. FERNANDEZ: SURE. MY NAME IS ALAN
2 FERNANDEZ, AND I REPRESENT THE GENETICS POLICY
3 INSTITUTE, THE 501(C)(3) THAT PRODUCES THE WORLD
4 STEM CELL SUMMIT AS ONE OF OUR FULFILLMENTS ON OUR
5 MISSION TO ADVANCE PUBLIC AWARENESS EDUCATION AND
6 REDUCING ROADBLOCKS TO ADVANCING STEM CELL SCIENCE
7 AND REGENERATIVE MEDICINE.

8 THE SUMMIT IS HAPPENING OCTOBER 3, 4, AND
9 5. THAT'S A MONDAY, TUESDAY, WEDNESDAY. ITS
10 CURRENT PARTNERS INCLUDE CITY OF HOPE AND CEDARS
11 SINAI. CALTECH IS ALSO WORKING WITH US. AND OUR
12 SUMMIT WILL ATTRACT ABOUT 2,000 ATTENDEES FROM 30
13 COUNTRIES. IT'S A MULTIDISCIPLINARY SUMMIT IN THAT
14 WE COVER STEM CELL SCIENCE AS WELL AS ETHICS,
15 POLICY, LAW, FINANCE, TECH TRANSFER,
16 COMMERCIALIZATION, AND SUCH. IT'S A MIX OF MEMBERS
17 FROM PHARMA, BIOTECH, ACADEMIC/RESEARCH, AND ALL THE
18 OTHER CONNECTED STAKEHOLDER COMMUNITIES THAT
19 REPRESENT ETHICS AND POLICY AND SUCH.

20 OUR GOAL WITH THE SUMMIT IS TO UNITE THE
21 STEM CELL COMMUNITY, AND IT'S CERTAINLY TO INCLUDE
22 THE PATIENT VOICE. WE'RE LOOKING TO, IN ADDITION TO
23 THE THREE-DAY SUMMIT WHERE WE BRING THE 2,000 PEOPLE
24 TOGETHER TO HAVE A PUBLIC DAY OF STEM CELL PUBLIC
25 EDUCATION DAY, WHICH WOULD PROBABLY HAPPEN ON

BARRISTERS' REPORTING SERVICE

1 SUNDAY, THE 2D. AND WE'LL BE HAVING ABOUT 200
2 ENDORSING ORGANIZATIONS BEHIND THE SUMMIT, ABOUT 60
3 COMMERCIAL SPONSORS, AND ABOUT 50 MEDIA PARTNERS.
4 SO IT'S QUITE AN EVENT THAT UNITES THE COMMUNITY.

5 AND SPECIFICALLY RELATED TO WORKING WITH
6 CIRM, WE ABSOLUTELY WANT TO PUT A STRONG
7 TRANSLATIONAL FOCUS ON THE AGENDA ON THE SCIENCE
8 SIDE. AND WE ABSOLUTELY WANT TO BE AS SUPPORTIVE AS
9 POSSIBLE TO MAKING THE CONNECTION BETWEEN WHAT'S
10 HAPPENING IN STEM CELL RESEARCH TO THE GENERAL
11 PUBLIC AND TO EVERYONE ELSE. AND ARE LOOKING TO
12 HAVE AS MANY RESEARCHERS AS POSSIBLE REPRESENTED ON
13 THE AGENDA AS WELL AS A WAY TO HIGHLIGHT WHAT'S
14 GOING ON. THERE WILL BE A POSTER SESSION AS WELL AS
15 ONE MECHANISM TO HIGHLIGHT SCIENCE.

16 CHAIRMAN KLEIN: THANK YOU. ELONA BAUM,
17 YOU TALKED WITH ME ON BEHALF OF THE OFFICE OF THE
18 PRESIDENT. MY UNDERSTANDING IS THAT THE OFFICE OF
19 THE PRESIDENT IS SUPPORTING PARTICIPATION IN THIS
20 SUMMIT; IS THAT CORRECT?

21 MS. BAUM: YES. WE THINK IT'S A TERRIFIC
22 OPPORTUNITY TO ALSO HIGHLIGHT THE TRANSLATIONAL
23 ASPECT OF A LOT OF OUR PROGRAMS AT THIS EVENT. AND
24 THEN IN TERMS OF FUNDING PATIENT ADVOCATES AND YOUNG
25 SCIENTIST TO ATTEND, I THINK IT PRESENTS A TERRIFIC

BARRISTERS' REPORTING SERVICE

1 COST-EFFECTIVE OPPORTUNITY BECAUSE IT IS IN
2 PASADENA. AND IN ADDITION TO THAT, IT WOULD HELP
3 ENSURE THAT WE HAVE, AT LEAST WITH RESPECT TO,
4 ESPECIALLY WITH RESPECT TO THE RESEARCHERS, THE
5 AUDIENCE THAT WOULD BE HELPFUL IN HAVING INDUSTRY
6 CONNECTING WITH PEOPLE IN THE FIELD IN TERMS OF
7 ENSURING THAT WE'RE MEETING OUR OBLIGATIONS FOR THE
8 CALIFORNIA SUPPLIERS AND SERVICES STAYING IN
9 CALIFORNIA.

10 WE'RE HOPING TO, AND WE'RE LOOKING INTO
11 CREATING A PARTNERING FORUM, AN INVESTOR FORUM, AS
12 PART OF THIS INITIATIVE. WE'RE STILL EVALUATING
13 THAT, BUT THIS WOULD HELP.

14 CHAIRMAN KLEIN: THANK YOU VERY MUCH.
15 ADDITIONAL QUESTIONS FROM THE BOARD?

16 DR. LOVE: I AGREE. I THINK IT'S A GREAT
17 OPPORTUNITY TO SUPPORT 50 PEOPLE GOING. I JUST HAVE
18 A QUESTION ABOUT THE 125. IT LOOKED --

19 CHAIRMAN KLEIN: THAT'S FOR THE 50 AND THE
20 75 PEOPLE, BOTH THE --

21 DR. LOVE: 50 AND 75.

22 CHAIRMAN KLEIN: SO IT'S 125 PEOPLE.

23 DR. POMEROY: SO JUST FOLLOWING UP ON
24 TED'S QUESTION, THAT'S \$1,000 PER PERSON. HOW MUCH
25 OF THAT IS REGISTRATION AND HOW MUCH OF THAT IS

BARRISTERS' REPORTING SERVICE

1 TRAVEL AND ACCOMMODATIONS PER PERSON? WHAT IS THE
2 REGISTRATION FEE?

3 MR. FERNANDEZ: THE REGISTRATION FEE FOR
4 INDUSTRY, IT'S 1795.

5 DR. POMEROY: NO, FOR THESE PARTICIPANTS.

6 MR. FERNANDEZ: FOR THESE PARTICIPANTS.
7 IT'S 495.

8 DR. POMEROY: 495? \$495 FOR THE
9 CONFERENCE REGISTRATION.

10 CHAIRMAN KLEIN: OKAY. ADDITIONAL POINTS?

11 DR. PRICE: THE 75 REPRESENTATIVES OF
12 PATIENT ADVOCACY ORGANIZATIONS. IN ALLOCATING THIS
13 MONEY, WHAT CRITERIA, HOW ARE WE GOING TO DEFINE WHO
14 IS A REPRESENTATIVE? WHAT CONSTITUTES A
15 REPRESENTATIVE?

16 CHAIRMAN KLEIN: SO HISTORICALLY WE HAVE
17 GONE OUT WITH A GENERAL INVITATION TO ALL THE
18 PATIENT ORGANIZATIONS, COMMUNITY ORGANIZATIONS, AND
19 CIVIC ORGANIZATIONS. AND BECAUSE MOST OF THE
20 PATIENT ADVOCATES HAVE PAYING JOBS SOMEWHERE, AND A
21 LOT OF THEIR TIME IS CONSUMED BY OPPORTUNITIES TO
22 CONTRIBUTE THROUGH THEIR OWN ORGANIZATIONS, WE'VE
23 HAD TO WORK WITH PEOPLE TO ACTUALLY GET THEM FREE TO
24 ATTEND AND PEOPLE WITH REAL TRACK RECORDS. BUT
25 WE'RE LOOKING FOR SUBSTANTIAL TRACK RECORDS OF

BARRISTERS' REPORTING SERVICE

1 INDIVIDUALS, LONG-TERM COMMITMENTS, AND MAKING SURE
2 WE HAVE A DISTRIBUTION AMONG THE BROAD NUMBER OF
3 AREAS OF DISEASE. SO WE HAVE AN ABILITY TO
4 COMMUNICATE BACK WITH THOSE PATIENT GROUPS OVER TIME
5 ON THE WORK ACROSS A NUMBER OF FIELDS.

6 BUT THERE ARE FEWER PEOPLE AVAILABLE TO GO
7 THAN THOSE WHO WANT TO GO BECAUSE OF WORK
8 LIMITATIONS, AND THEIR PRINCIPAL EMPLOYMENT IS NOT
9 IN THIS FIELD.

10 MS. GIBBONS: CAN YOU TELL ME A LITTLE BIT
11 MORE ABOUT HOW THIS IS COMING FROM DONOR FUNDS, AND
12 UNUSED PORTIONS WOULD GO BACK TO CIRM, MEANING IF
13 WE -- OBVIOUSLY THERE'S MORE PARTICIPANTS THAN WE
14 CAN PAY FOR. SO UNUSED PORTIONS, MEANING HOW
15 WOULD -- I GUESS THAT'S JUST TO MAKE US ALL FEEL
16 ACCOUNTABLE.

17 CHAIRMAN KLEIN: AT TIMES PEOPLE COMMIT,
18 BUT ARE NOT ABLE TO GO. SO WE HAVE A 10- OR
19 15-PERCENT CANCELLATION RATE, SO WE WOULD RECOVER
20 THOSE FUNDS.

21 BUT YOU'RE QUITE RIGHT IN FOCUSING ON THE
22 FACT THAT DURING A TIME OF ECONOMIC CONSTRAINT, WE
23 HAVE RAISED SEVERAL MILLIONS OVER TIME SPECIFICALLY
24 FOR CONFERENCES AND OTHER ACTIVITIES THAT ARE NOT IN
25 OUR GENERAL BUDGET, AND IT'S PROPOSED THAT THESE

BARRISTERS' REPORTING SERVICE

1 SPECIFIC FUNDS COME FROM THE PRIVATE DONOR MONEY TO
2 OUR AGENCY.

3 OKAY. ADDITIONAL PUBLIC COMMENT?
4 BEFORE THE PUBLIC COMMENT, I HAVE TWO OTHER. JEFF,
5 DID YOU HAVE A COMMENT? AND THEN DR. ECONOMOU.

6 MR. SHEEHY: I WAS JUST GOING TO MOVE THE
7 ITEM. MOVE TO ADOPT THE ITEM.

8 CHAIRMAN KLEIN: SO THE MOTION IS BY JEFF
9 SHEEHY. IS THERE A SECOND?

10 MS. GIBBONS: SECOND.

11 CHAIRMAN KLEIN: DR. ECONOMOU, COMMENT.

12 DR. ECONOMOU: I JUST WANTED TO KNOW IF
13 ANYBODY HEARD THE ANSWER TO CLAIRE'S QUESTION. \$500
14 IS A LARGE REGISTRATION FEE FOR A MEETING, DON'T YOU
15 THINK?

16 CHAIRMAN KLEIN: IT IS A -- PREVIOUSLY I
17 HAVE LOOKED AT THE BUDGET OF THE LAST CONFERENCE. I
18 HAVE NOT LOOKED AT THE BUDGET OF THIS CONFERENCE.
19 AND THEIR DOMINANT COST IS FOR THE FACILITY PLUS
20 BRINGING SPEAKERS FROM AROUND THE WORLD TO THE SITE.
21 SO IT'S A NONPROFIT OPERATION, BUT CERTAINLY THE
22 REPRESENTATIVE CAN TALK ABOUT IT. I'D LIKE TO GET
23 DON'S COMMENT AND THEN THE ADDITIONAL ANSWER TO THAT
24 QUESTION.

25 MR. REED: AS SOMEBODY WHO HAS BEEN TO ALL

BARRISTERS' REPORTING SERVICE

1 SEVEN OF THESE, THIS IS PROBABLY THE SINGLE GREATEST
2 EVENT TO BUILD THE COMMUNITY OF ADVOCATES. THEY
3 LEAVE IT WITH THE SENSE THAT THEY'VE MET THE
4 CHAMPIONS OF THE FIELD, AND THEY BRING BACK TO THEIR
5 COMMUNITY THE MESSAGE THAT IT'S HAPPENING. I SAW
6 THE PEOPLE. I SAW THE RESULTS. IT'S REAL. IT'S A
7 TREMENDOUS, TREMENDOUS EVENT. I APPLAUD CIRM FOR
8 SUPPORTING IT.

9 CHAIRMAN KLEIN: COULD YOU TALK ABOUT THE
10 CONFERENCE, PLEASE?

11 MR. FERNANDEZ: YES, ABSOLUTELY. THE
12 CONFERENCE IS A THREE-DAY CONFERENCE. THE
13 CONFERENCE DOES HAVE ABOUT 170 SPEAKERS. IT'S THE
14 ONLY CONFERENCE IN THE STEM CELL FIELD THAT ACTUALLY
15 GARNISHES AS MUCH SUPPORT AS IT DOES FROM A BROAD
16 ARRAY OF COMMUNITIES. AND WE HAVE LITERALLY 50
17 MEDIA TITLES SUPPORTING US, ADS IN THE *FINANCIAL*
18 *TIMES* AND SUCH. SO I CAN SAY THAT THE 495 COMPARED
19 TO WHAT? IT'S HARD TO COMPARE TO THE SUMMIT BECAUSE
20 THE SUMMIT IS A UNIQUE SUMMIT IN THE WAY ITS
21 CONSTRUCTED AND HOW IT UNITES THE COMMUNITY.

22 I CAN ASSURE YOU THAT THERE'S NO OTHER
23 STEM CELL EVENT THAT I'VE EVER BEEN TO THAT ACTUALLY
24 HAS THE PATIENT VOICE SO WELL REPRESENTED. ALL
25 WE'RE LOOKING TO DO IS AMPLIFY THAT HUGELY AND HAVE

BARRISTERS' REPORTING SERVICE

1 A CONTINUUM OF MOMENTUM BEHIND PUBLIC AWARENESS,
2 PUBLIC ENGAGEMENT IN CALIFORNIA, ALSO WELL BEYOND.

3 495, I'M HOPING IT DOESN'T SEEM -- IT'S
4 ACTUALLY FROM OUR PERSPECTIVE FROM WHAT WE'VE
5 EXPERIENCED AND WHAT PEOPLE EXPERIENCE WHEN THEY
6 ATTEND THE SUMMIT, NO ONE IS GOING TO SAY, WOW, THAT
7 WAS TOO MUCH MONEY. THEY'RE GOING TO SAY I'M REALLY
8 GLAD THAT YOU BROUGHT ME HERE, THAT I ATTENDED, AND
9 I LOOK FORWARD TO BEING PART OF THIS STEM CELL
10 MOVEMENT MOVING FORWARD, I'LL SEE YOU NEXT YEAR AT
11 THE NEXT SUMMIT.

12 CHAIRMAN KLEIN: I THINK THE FUNDAMENTAL
13 DRIVER IS WHILE CITY OF HOPE AND CEDARS ARE
14 INVOLVED, IT'S NOT THEIR FUNDAMENTAL CONFERENCE.
15 THEY ARE PARTICIPATING IN THE CONFERENCE. SO THIS
16 IS NOT LIKE YOU HAVE A MAJOR INSTITUTION THAT'S
17 UNDERWRITING A HUGE AMOUNT OF MONEY. YOU DON'T HAVE
18 A BIOTECH ASSOCIATION UNDERWRITING IT. IT'S A
19 PATIENT-DRIVEN CONFERENCE, PATIENT
20 ORGANIZATION-DRIVEN CONFERENCE THAT IS AN
21 AMALGAMATION OF A VERY LARGE NUMBER OF PATIENT
22 ORGANIZATIONS IN THAT THE FUNDS OF THE CONFERENCE
23 REALLY FUNDAMENTALLY, THROUGH THEIR SUBSCRIPTION,
24 SUPPORT MOST OF THE COST IS PART OF THE ISSUE HERE.

25 DR. PIZZO: JUST ONE POINT OF

BARRISTERS' REPORTING SERVICE

1 CLARIFICATION. IS THERE INDUSTRIAL SUPPORT FOR THE
2 CONFERENCE AS WELL?

3 MR. FERNANDEZ: THERE'S INDUSTRY SUPPORT
4 IN THAT WE HAVE AN EXHIBIT FLOOR THAT WILL HAVE 50
5 TO 60 EXHIBITORS. THE EXHIBITORS AREN'T JUST ALL
6 FROM INDUSTRY. LAST YEAR WE HAD THE ARMED FORCES
7 INSTITUTE FOR REGENERATIVE MEDICINE OR THE AMERICAN
8 RED CROSS, FOR EXAMPLE, AS AN EXHIBITOR.

9 DR. PIZZO: THAT'S HELPFUL. ARE ANY OF
10 THE INDUSTRY SPONSORS INVOLVED IN THE PROGRAM OR THE
11 SELECTION OF SPEAKERS OR DIRECT PAYMENTS TO SPEAKERS
12 WHO WILL BE PARTICIPATING?

13 MR. FERNANDEZ: THEY'RE NOT. THE
14 CO-CHAIRS AND THE PROGRAM COMMITTEE ARE MADE UP BY
15 REPRESENTATIVES FROM THE ORGANIZING PARTNERS, WHICH
16 AT THIS POINT INCLUDE CEDARS-SINAI AND CITY OF HOPE
17 AND CALTECH. AND IT'S AN ACADEMICALLY BUILT AGENDA.

18 DR. PIZZO: YOU DIDN'T ANSWER MY QUESTION.

19 MR. FERNANDEZ: REPHRASE THE QUESTION.

20 DR. PIZZO: SO ARE THERE ANY INDUSTRY
21 SPONSORS WHO WILL HAVE ANY INFLUENCE OR IMPACT ON
22 THE PROGRAM ITSELF, OR WILL THEY BE PAYING DIRECTLY
23 FOR ANY OF THE SPEAKERS THAT ARE PARTICIPATING?

24 MR. FERNANDEZ: NO. NO. YOU CAN'T PAY TO
25 PLAY. AND IT'S THE INTEGRITY OF THE CO-CHAIR AND

BARRISTERS' REPORTING SERVICE

1 PROGRAM COMMITTEE THAT KEEPS THE PURITY OF THE
2 CONFERENCE SUCH THAT THERE'S AN ATTRACTION FROM MANY
3 COMMUNITIES TO PARTICIPATE IN IT.

4 DR. PIZZO: THANK YOU.

5 DR. POMEROY: SO THE MATERIALS THAT WE
6 HAVE UNDER TAB 12 INDICATE THAT THE SUMMIT WILL
7 OCCUR WITH SPONSORSHIP FROM A NUMBER OF CALIFORNIA
8 INSTITUTIONS, AND YOU'VE JUST ENUMERATED THOSE, AS
9 WELL AS SUPPORT FROM CIRM. SO I DON'T CONSIDER
10 SCHOLARSHIPS TO ATTENDEES AS SUPPORT FROM CIRM. SO
11 IS THERE SEPARATE ADDITIONAL SUPPORT FROM CIRM?

12 CHAIRMAN KLEIN: DR. TROUNSON OR ELONA
13 BAUM.

14 DR. TROUNSON: WELL, IT'S PRESUMABLY
15 POSSIBLE THAT THEY COULD APPLY FOR A CONFERENCE
16 GRANT, BUT I HAVEN'T RECEIVED A CONFERENCE GRANT
17 FROM THIS ORGANIZATION.

18 DR. POMEROY: I'M JUST TRYING TO CLARIFY
19 THE STATEMENT IN OUR MATERIALS THAT THIS IS BEING
20 HELD WITH SUPPORT FROM CIRM.

21 DR. TROUNSON: SO AT THIS STAGE, I HAVEN'T
22 AGREED TO ANY FUNDS GOING THERE TO THEM BECAUSE THEY
23 WOULD NEED TO APPLY FOR A CONFERENCE GRANT.

24 DR. POMEROY: SO I WOULD SUGGEST THAT WE
25 CORRECT THE MATERIALS THAT WERE DISTRIBUTED IF THERE

BARRISTERS' REPORTING SERVICE

1 IS NO SUPPORT FROM CIRM.

2 CHAIRMAN KLEIN: AND MY UNDERSTANDING,
3 CONFERENCE GRANTS, IF, IN FACT, THERE WAS AN
4 APPLICATION, THOSE ARE CAPPED AT 50,000; IS THAT
5 CORRECT?

6 DR. TROUNSON: THAT'S CORRECT, BOB. UP TO
7 50,000.

8 MS. BAUM: I MIGHT AS WELL CLARIFY THE
9 RECORD, THAT IT'S MY UNDERSTANDING THAT WE ARE
10 EXPECTING CALTECH TO MAKE A REQUEST FOR A CONFERENCE
11 GRANT IN THE AMOUNT 50,000. IT HAS NOT BEEN
12 RECEIVED TO MY KNOWLEDGE.

13 IT WAS ALSO MY UNDERSTANDING AS WELL THAT
14 WE WOULD BE OBTAINING DISCOUNTS FOR RESEARCHERS IN
15 CALIFORNIA, A CERTAIN AMOUNT OF DISCOUNTS, IF NOT A
16 CERTAIN AMOUNT OF FREE ADMISSIONS. SO I HAVEN'T
17 HEARD THAT MENTIONED, BUT I THOUGHT THAT THAT WAS AT
18 LEAST THOUGHT ABOUT. AND I ALSO THOUGHT THAT
19 CONSIDERATION WOULD BE GIVEN TO ENSURING THAT IF A
20 PARTNERING FORUM WAS ACTUALLY ENGAGED IN AT THIS
21 CONFERENCE, THAT SOME OF THESE MONIES WOULD BE
22 DEDICATED TO DEFRAYING THOSE COSTS.

23 SO THE SPECIFICS OF HOW THE REVENUES FROM
24 CIRM SUPPORT WOULD BE USED I HAVEN'T HEARD MENTIONED
25 WITHIN A MOTION, BUT THOSE COULD BE SOME TERMS THAT

BARRISTERS' REPORTING SERVICE

1 COULD BE INCLUDED.

2 CHAIRMAN KLEIN: OKAY. ADDITIONAL
3 DISCUSSION? I THINK ONE OF THE FUNDAMENTAL ISSUES
4 HERE IS OUR ABILITY TO COMMUNICATE THE STATUS OF
5 TRANSLATION AND REALLY GIVE THE BENEFIT TO PATIENT
6 ADVOCATES AND YOUNG SCIENTISTS IN CALIFORNIA ACCESS
7 TO SOME OF THE BEST RESEARCHERS FROM AROUND THE
8 COUNTRY. I WAS AWARE OF CITY OF HOPE AND CEDARS
9 SPONSORSHIP. I ACTUALLY JUST LEARNED OF CALTECH'S
10 SPONSORSHIP IN THIS.

11 CERTAINLY THOSE ARE THREE ORGANIZATIONS IN
12 WHICH I INDIVIDUALLY HAVE A LOT OF TRUST IN THEIR
13 PROGRAM QUALITY, THEIR ETHICAL STANDARDS FOR PROGRAM
14 INTEGRITY, AND THEIR LEADERSHIP HERE ON THE PROGRAM
15 WOULD LEAD ME TO BELIEVE THAT WE CAN LOOK FORWARD TO
16 A VERY HIGH QUALITY AS HAS BEEN TRUE ON THE PRIOR
17 CONFERENCES THIS INSTITUTION HAS PROVIDED.

18 WE HAVE A MOTION ON THE FLOOR. WE HAVE
19 PUBLIC COMMENT. I THINK AT THIS POINT WE COULD CALL
20 THE QUESTION. AND I WOULD SUGGEST OUT OF REALLY
21 CONSERVATISM THAT, EVEN THOUGH THE CITY OF HOPE IS
22 NOT BENEFITING FROM THESE FUNDS AND CEDARS IS NOT
23 BENEFITING, THAT THEY JUST ABSTAIN IN THIS VOTE.
24 THAT WOULD BE A CONSERVATIVE APPROACH. CALL THE
25 QUESTION, PLEASE. ALL IN FAVOR SAY AYE.

BARRISTERS' REPORTING SERVICE

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(CHORUS OF AYES.)

CHAIRMAN KLEIN: OPPOSED.

DR. MELMED: I ABSTAIN.

CHAIRMAN KLEIN: DR. KRONTIRIS, YOU'RE
ABSTAINING; IS THAT RIGHT?

DR. KRONTIRIS: YES.

CHAIRMAN KLEIN: JEANNIE FONTANA IS
ABSTAINING AS WELL BECAUSE OF HER RELATIONSHIP TO
CEDARS.

MS. KING: I WILL JUST, IF COULD CALL, DR.
STEWARD FOR YOUR VOTE, PLEASE.

DR. STEWARD: YES.

MS. KING: THANK YOU.

CHAIRMAN KLEIN: OKAY. THANK YOU. WE'RE
GOING TO ADJOURN FOR THE EXECUTIVE SESSION, BUT
BEFORE WE DO SO, I'D LIKE MR. HARRISON TO INTRODUCE
THAT EXECUTIVE SESSION WITH THE STATUTORY BACKGROUND
STATEMENT, PLEASE.

MR. HARRISON: FOR THE RECORD THE LAST
MOTION CARRIED.

THE BOARD WILL NOW BE CONVENING IN CLOSED
SESSION FOR A PRELIMINARY DISCUSSION OF CONFIDENTIAL
INTELLECTUAL PROPERTY OR WORK PRODUCT PREPUBLICATION
DATA, FINANCIAL INFORMATION, AND CONFIDENTIAL
SCIENTIFIC RESEARCH OR DATA RELATING TO APPLICATIONS

BARRISTERS' REPORTING SERVICE

1 FOR RFA 10-03, CIRM-TARGETED CLINICAL DEVELOPMENT
2 AWARDS, PURSUANT TO HEALTH AND SAFETY CODE SECTION
3 125290.30(F)(3)(B) AND (C).

4 CHAIRMAN KLEIN: ALL RIGHT. WOULD THE
5 LOGISTICS BE MADE CLEAR TO THE BOARD ON WHERE WE ARE
6 GOING TO GO FOR LUNCH, PLEASE?

7 MS. PRYNE: CERTAINLY. LUNCH IS SERVED
8 NEXT DOOR IN SALON G. SINCE THE LUNCH IS IN THERE,
9 CIRM STAFF SHOULD TAKE THEIR LUNCH FIRST, AND THEN
10 THEY CAN LEAVE THE ROOM SO THAT THE BOARD MEMBERS
11 CAN REMAIN BEHIND.

12 CHAIRMAN KLEIN: ALL RIGHT. AND WE'RE
13 GOING TO GIVE PEOPLE ABOUT TEN MINUTES BEFORE WE GO
14 INTO EXECUTIVE SESSION FOR CRITICAL PHONE CALLS AND
15 JUST A RESPITE. THANK YOU.

16 (THE BOARD THEN RECONVENED IN CLOSED
17 SESSION AND A LUNCH RECESS, NOT REPORTED NOR HEREIN
18 TRANSCRIBED.)

19 (MEMBERS HAWGOOD AND SERRANO-SEWELL
20 HAVE JOINED THE MEETING.)

21 CHAIRMAN KLEIN: OKAY. IF WE CAN
22 RECONVENE. IF THE STAFF COULD GET ANY MEMBERS IN
23 THE HALL, THAT WOULD BE FABULOUS. IF EVERYONE COULD
24 GET BACK. DR. BRYANT, MR. GOLDBERG. WE COULD
25 RECONVENE HERE, THAT WOULD BE PHENOMENAL.

BARRISTERS' REPORTING SERVICE

1 OKAY. IF WE COULD DO ITEM 11 SINCE WE
2 NEED A TIMELINE QUICKLY. I HAVE ONE MORE BOARD
3 MEETING WHERE I'M GOING TO BE PRESIDING AS CHAIR,
4 AND WE NEED TO REALLY GET A TIMELINE GOING HERE.

5 MR. TORRES: I'LL TAKE OVER AT THAT POINT.

6 CHAIRMAN KLEIN: ITEM 11. MR. HARRISON,
7 COULD YOU PRESENT ITEM 11, PLEASE.

8 MR. HARRISON: YES. WELL, AS CHAIR KLEIN
9 SAID, THERE IS ONLY ONE SCHEDULED MEETING REMAINING
10 UNTIL HIS COMMITMENT TO SERVE AS CHAIR ELAPSES ON
11 JUNE 14, 2011. SO IN ORDER TO ELECT A NEW CHAIR
12 BEFORE BOB'S TERM COMES TO AN END AND TO ALSO PERMIT
13 AN OPPORTUNITY FOR AN ORDERLY TRANSITION, THE BOARD
14 WOULD HAVE TO ACT AT ITS MAY 3D AND 4TH MEETING IN
15 LOS ANGELES OR SCHEDULE AN ADDITIONAL MEETING.

16 TO ACCOMMODATE THIS SCHEDULE, CHAIRMAN
17 KLEIN AND SHERRY LANSING, THE CHAIR OF THE
18 GOVERNANCE SUBCOMMITTEE, PROPOSE THE FOLLOWING
19 TIMELINE AND PROCESS.

20 THE FIRST STEP WOULD BE FOR THE BOARD TO
21 PROVIDE THE CONSTITUTIONAL OFFICERS, ASSUMING THE
22 BOARD ACTS TODAY ON ITEM 11, WITH ITS
23 RECOMMENDATIONS REGARDING ADDITIONAL DESIRED
24 ATTRIBUTES AND SKILL SETS FOR CHAIR ALONG WITH
25 INFORMATION REGARDING THE ANTICIPATED TIME

BARRISTERS' REPORTING SERVICE

1 COMMITMENT AND SALARY RANGE FOR CHAIR.

2 THE SECOND STEP WOULD INVOLVE THE BOARD
3 REQUESTING THAT THE CONSTITUTIONAL OFFICERS MAKE
4 NOMINATIONS NO LATER THAN APRIL 11TH, 2011, A MONTH
5 FROM NOW, AND THAT THEY PROVIDE BACKGROUND
6 INFORMATION REGARDING THE NOMINEES, INCLUDING A
7 BRIEF PERSONAL STATEMENT FROM THE NOMINEE EXPLAINING
8 HIS OR HER QUALIFICATIONS FOR THE POSITION AND HIS
9 OR HER INTEREST IN THE POSITION AS WELL.

10 THE THIRD STEP WOULD INVOLVE ASKING THE
11 EVALUATION SUBCOMMITTEE, LED BY DR. PRIETO, DR.
12 LOVE, AND SHERRY LANSING, TO SCHEDULE ONE OR MORE
13 MEETINGS TO CONDUCT A PREREVIEW OF NOMINEES,
14 INCLUDING AN OPPORTUNITY TO MEET WITH THE NOMINEES
15 IN CLOSED SESSION. THE BOARD WOULD THEN HAVE THE
16 OPPORTUNITY TO CONSIDER NOMINEES AT ITS MAY 3D AND
17 4TH MEETING. THE NOMINEES WOULD BE INVITED TO
18 ATTEND, AND EACH NOMINEE WOULD BE INVITED TO MAKE A
19 PUBLIC PRESENTATION. THE BOARD WOULD ALSO HAVE AN
20 OPPORTUNITY TO MEET WITH THE NOMINEE IN CLOSED
21 SESSION. THE BOARD WOULD THEN CONVENE AN OPEN
22 SESSION TO ELECT AMONG THE NOMINEES PURSUANT TO THE
23 BOARD'S BYLAWS AND TO APPROVE A SALARY AND PERCENT
24 EFFORT.

25 ASSUMING THAT THE BOARD ELECTS A NEW CHAIR

BARRISTERS' REPORTING SERVICE

1 AT THE MAY 3D AND 4TH MEETING, HE OR SHE WOULD TAKE
2 THE OATH BEFORE THE BOARD'S JUNE MEETING, ALLOWING A
3 BRIEF TRANSITION FROM POWER FROM THE CURRENT CHAIR
4 TO THE NEW CHAIR.

5 WHAT WE WOULD RECOMMEND TODAY IS THAT THE
6 BOARD APPROVE THIS TIMELINE AND PROCESS FOR
7 SELECTION OF THE NEW CHAIR, RECOGNIZING, OBVIOUSLY,
8 THAT ONE COMPONENT OF IT IS CONTINGENT UPON THE
9 BOARD ACTING ON THE GOVERNANCE SUBCOMMITTEE'S
10 RECOMMENDATIONS LATER TODAY.

11 CHAIRMAN KLEIN: THANK YOU VERY MUCH.
12 DISCUSSION ON THE TIMELINE.

13 DR. POMEROY: JAMES, I'M NOT SURE IF YOU
14 CAN ANSWER THIS QUESTION, BUT I'LL ADDRESS IT TO
15 YOU. WHAT IS THE HOPE FOR DELIVERABLE OUT OF THE
16 EVALUATION SUBCOMMITTEE STEP THAT CHANGES -- THAT
17 IMPACTS THE PROCESS?

18 MR. HARRISON: THE EVALUATION SUBCOMMITTEE
19 WOULD HAVE AN OPPORTUNITY TO REVIEW THE CANDIDATES
20 IN GREATER DETAIL BEFORE THE MAY 3D AND 4TH MEETING
21 AND COULD, IF IT CAME TO A CONSENSUS, MAKE A
22 RECOMMENDATION. THE BOARD OBVIOUSLY WOULD BE FREE
23 TO ACCEPT THAT RECOMMENDATION OR MAKE ITS OWN
24 JUDGMENT.

25 CHAIRMAN KLEIN: ADDITIONAL DISCUSSION?

BARRISTERS' REPORTING SERVICE

1 MR. ROTH: SO JUST POINT OF CLARIFICATION.
2 THIS COMMENT ON THE SALARY RANGE, I DON'T UNDERSTAND
3 WHY THAT WOULD BE WRITTEN THE WAY IT IS, JAMES. IT
4 SAYS A RECOMMENDATION ON THE SALARY RANGE. I THINK
5 THAT RANGE IS ALREADY SET.

6 MR. HARRISON: THE RANGE IS SET, BUT THE
7 GOVERNANCE SUBCOMMITTEE, AS YOU MAY RECALL,
8 RECOMMENDED THAT THE RANGE BE LEFT INTACT. THE
9 BOARD COULD REACH A DIFFERENT DETERMINATION.
10 ASSUMING IT'S NOT, IT WOULD BE THE EXISTING SALARY
11 RANGE.

12 CHAIRMAN KLEIN: SO I THINK THE TWO OF YOU
13 ARE IN AGREEMENT.

14 MR. ROTH: IT'S THE WAY IT'S WORDED IS A
15 BIT FUNNY TO ME. IT SAYS THAT WE'D RECOMMEND A
16 SALARY RANGE.

17 CHAIRMAN KLEIN: DUANE'S POINT IS THE
18 RANGE IS IN PLACE NOW.

19 MR. ROTH: I THINK THE KEY ELEMENT THAT
20 WE'LL TALK ABOUT LATER IS THE TIME COMMITMENT, AND,
21 EVEN MORE IMPORTANT, EXECUTIVE CHAIR VERSUS
22 GOVERNING CHAIR.

23 MR. HARRISON: RIGHT. YOU'RE ABSOLUTELY
24 CORRECT, THAT THE EXISTING RANGE OF 275,000 TO
25 508,750 IS IN PLACE AND THE GOVERNANCE SUBCOMMITTEE

BARRISTERS' REPORTING SERVICE

1 RECOMMENDED LEAVING THAT RANGE IN PLACE. THE BOARD
2 COULD APPROVE THAT RECOMMENDATION OR MAKE A
3 DIFFERENT DECISION.

4 CHAIRMAN KLEIN: OKAY. ADDITIONAL
5 DISCUSSION? PUBLIC COMMENT? OKAY. CALL FOR THE
6 VOTE ON THIS ITEM IF -- IS THERE A MOTION TO APPROVE
7 THIS?

8 DR. BLOOM: MOVED.

9 DR. LOVE: SECOND.

10 CHAIRMAN KLEIN: OKAY. SO WE WILL CALL
11 FOR THE QUESTION. YOU WILL GO THROUGH A ROLL CALL
12 ON THE ONES ON THE PHONE. ALL IN FAVOR.

13 (CHORUS OF AYES.)

14 CHAIRMAN KLEIN: OPPOSED? AND ON THE ROLL
15 CALL, PLEASE.

16 MS. KING: JUST CHECKING, SHLOMO MELMED,
17 HAVE YOU REJOINED US? OSWALD STEWARD, HAVE YOU
18 REJOINED US?

19 THE MOTION CARRIES WITH THE QUORUM IN THE
20 ROOM.

21 CHAIRMAN KLEIN: THANK YOU. OKAY. I
22 APPRECIATE VERY MUCH THE BOARD HAVING A TIMELINE.

23 WE WILL GO NOW TO ITEM NO. 10,
24 CONSIDERATION OF RECOMMENDATIONS FROM GOVERNANCE
25 SUBCOMMITTEE REGARDING CRITERIA. MR. HARRISON.

BARRISTERS' REPORTING SERVICE

1 MR. HARRISON: YOU SHOULD ALL HAVE A COPY
2 OF THE POWERPOINT IN FRONT OF YOU AND OBVIOUSLY IT'S
3 DISPLAYED ON THE SCREEN AS WELL. THE GOVERNANCE
4 SUBCOMMITTEE MET ON FEBRUARY 17TH TO DISCUSS THE
5 SURVEY THAT THE BOARD REQUESTED BE CONDUCTED AT ITS
6 LAST MEETING. WE DISTRIBUTED THE SURVEY TO BOARD
7 MEMBERS AND ALTERNATES ON FEBRUARY 2D, 2011. AS YOU
8 RECALL, THE SURVEY SOUGHT THREE DIFFERENT TYPES OF
9 INFORMATION. ONE, THERE WAS A SELF-ASSESSMENT; TWO,
10 THERE WAS AN ASSESSMENT OF THE BOARD'S PERFORMANCE;
11 AND, 3, THERE WAS AN ASSESSMENT OF THE DESIRED
12 ATTRIBUTES AND SKILL SETS FOR A NEW CHAIR AS WELL AS
13 QUESTIONS RELATING TO PERCENT EFFORT AND
14 COMPENSATION.

15 WE ALSO ASKED MEMBERS TWO OPEN-ENDED
16 QUESTIONS REGARDING THE MANNER IN WHICH THE CHAIR
17 AND STATUTORY VICE CHAIRS STATUTORY RESPONSIBILITIES
18 SHOULD BE CARRIED OUT, AND ALSO THE APPROPRIATE
19 RELATIONSHIP BETWEEN THE CHAIR AND THE VICE CHAIRS
20 AND THE PRESIDENT.

21 WE ALLOWED MEMBERS ONE WEEK TO RESPOND,
22 AND ULTIMATELY 20 MEMBERS AND ALTERNATES RESPONDED
23 TO THE SURVEY. I'D LIKE TO BRIEFLY TAKE YOU THROUGH
24 THE SURVEY RESULTS.

25 THE MEMBERS' ASSESSMENT OF THE BOARD'S

BARRISTERS' REPORTING SERVICE

1 PERFORMANCE REVEALED THAT 90 PERCENT OF THE
2 RESPONDENTS BELIEVE THAT CIRM LIVES UP TO ITS
3 MISSION. 90 PERCENT OF THE RESPONDENTS ALSO BELIEVE
4 THAT THE BOARD SOMETIMES DELVES INTO EXCESSIVE
5 ADMINISTRATIVE AND MANAGEMENT DETAIL. 75 PERCENT OF
6 THE RESPONDENTS EXPRESSED AN INTEREST IN GREATER
7 INPUT INTO THE BOARD'S PREPARATION OF THE AGENDA.
8 AND RESPONDENTS WERE SPLIT AS TO WHETHER THE BOARD
9 IS TOO INFLUENCED BY MANAGEMENT, WITH 50 PERCENT
10 SAYING NO AND 50 PERCENT SAYING YES OR SOMETIMES.

11 THE SELF-ASSESSMENT REFLECTED THE MEMBERS'
12 SUPPORT FOR CIRM'S MISSION AND THEIR UNDERSTANDING
13 OF THE ROLE, WITH 100 PERCENT AND 95 PERCENT
14 RESPECTIVELY OF RESPONDENTS ANSWERING IN THE
15 AFFIRMATIVE.

16 THE SURVEY ALSO REVEALED THAT MEMBERS ARE
17 VERY ENGAGED IN THEIR WORK ON BEHALF OF CIRM WITH 90
18 PERCENT RESPONDING THAT THEY COME TO BOARD MEETINGS
19 FULLY PREPARED, AND THEY THINK ABOUT THE WORK OF
20 CIRM IN BETWEEN MEETINGS AS WELL.

21 MOST OF THE RESPONDENTS FELT COMFORTABLE
22 EXPRESSING DISSENTING OPINIONS AND VIEWS. 35
23 PERCENT OF THE RESPONDENTS, HOWEVER, INDICATED THAT
24 THEY SOMETIMES DON'T FEEL COMFORTABLE RAISING A
25 DISSENTING OPINION.

BARRISTERS' REPORTING SERVICE

1 THERE WAS MUCH UNANIMITY WITH RESPECT TO
2 THE ADDITIONAL DESIRED ATTRIBUTES FOR A CHAIR. ALL
3 OF THE RESPONDENTS IDENTIFIED THE ABILITY TO
4 COLLABORATE AND BUILD CONSENSUS AS AN IMPORTANT
5 ATTRIBUTE, WITH TEN RESPONDENTS IDENTIFYING IT AS
6 THE MOST IMPORTANT ATTRIBUTE.

7 IN ADDITION, 16 RESPONDENTS IDENTIFIED
8 LEADERSHIP AND VISION AS KEY ATTRIBUTES FOR CHAIR,
9 AND MULTIPLE RESPONDENTS ALSO IDENTIFIED KNOWLEDGE,
10 INTELLECTUAL CURIOSITY, COLLEGIALITY, AND INTEGRITY
11 AS KEY ATTRIBUTES FOR CHAIR.

12 WITH RESPECT TO DESIRED SKILL SETS FOR
13 CHAIR, THERE WAS ALSO A LARGE DEGREE OF UNANIMITY.
14 TEN RESPONDENTS IDENTIFIED ADVOCACY AS A CRITICAL
15 SKILL FOR THE CHAIR TO POSSESS. IN ADDITION, 12
16 RESPONDENTS LISTED LEADERSHIP AND VISION AS ONE OF
17 THE MOST IMPORTANT SKILLS FOR THE CHAIR TO HAVE,
18 WHILE OTHERS IDENTIFIED THINGS LIKE SCIENTIFIC
19 UNDERSTANDING, GOVERNMENT EXPERIENCE, FINANCIAL
20 KNOWLEDGE, AND BOARD MANAGEMENT AS IMPORTANT
21 ATTRIBUTES FOR THE CHAIR.

22 WE ALSO ASKED QUESTIONS WITH RESPECT TO
23 THE ALLOCATION OF RESPONSIBILITIES BETWEEN THE CHAIR
24 AND VICE CHAIRS AND THE PRESIDENT AND THE
25 APPROPRIATE REPORTING RELATIONSHIP. IT'S IMPORTANT

BARRISTERS' REPORTING SERVICE

1 TO UNDERSTAND THAT UNDER PROP 71, THE CHAIR AND
2 STATUTORY VICE CHAIR DO HAVE SPECIFIC STATUTORY
3 RESPONSIBILITIES FOR, AMONG OTHER THINGS, EXTERNAL
4 FINANCE, PUBLIC COMMUNICATIONS, GOVERNMENT
5 RELATIONS, AND SUPERVISION OF CIRM'S PUBLIC
6 ACCOUNTABILITY REQUIREMENTS.

7 IN ADDITION, UNDER PROP 71, THE CHAIR ALSO
8 SERVES AS A MEMBER OF EACH OF THE INSTITUTE'S
9 WORKING GROUPS AND AS A MEMBER OF THE CALIFORNIA
10 STEM CELL RESEARCH AND CURES FINANCE COMMITTEE,
11 WHICH IS THE STATE COMMITTEE CHARGED WITH
12 AUTHORIZING THE SALE OF BONDS ON CIRM'S BEHALF. THE
13 BOARD DOES NOT HAVE THE AUTHORITY TO CHANGE OR
14 REALLOCATE THOSE RESPONSIBILITIES. THAT COULD ONLY
15 BE ACCOMPLISHED BY ANOTHER BALLOT MEASURE; HOWEVER,
16 THE BOARD DOES HAVE SOME DISCRETION WITH RESPECT TO
17 HOW THOSE DUTIES ARE CARRIED OUT.

18 SO ALTHOUGH WE ASKED THE QUESTION IN AN
19 OPEN-ENDED MANNER, WE GAVE THE BOARD THREE POTENTIAL
20 EXAMPLES OF HOW THE STATUTORY DUTIES OF THE CHAIR
21 COULD BE HANDLED. ONE, THE CHAIR AND VICE CHAIR
22 COULD CARRY OUT THESE DUTIES IN PARTNERSHIP WITH THE
23 PRESIDENT, EACH WITH WELL-DEFINED RESPONSIBILITIES
24 APPROVED BY THE BOARD WITHIN THE RESPECTIVE AREAS OF
25 EXPERTISE. TWO, THE BOARD COULD REQUEST THE CHAIR

BARRISTERS' REPORTING SERVICE

1 AND VICE CHAIR DELEGATE THE DUTIES TO THE EXTENT
2 PERMITTED BY LAW AND PLAY AN OVERSIGHT ROLE RATHER
3 THAN AN OPERATIONAL ROLE. AND THE THIRD EXAMPLE WE
4 OFFERED WAS THAT THE CHAIR AND VICE CHAIR COULD
5 SHARE RESPONSIBILITY FOR THESE DUTIES WITH OTHER
6 MEMBERS OF THE BOARD.

7 THE SURVEY SHOWED THAT MEMBERS ARE RATHER
8 EVENLY SPLIT BETWEEN THOSE WHO BELIEVE THAT THE
9 CHAIR AND THE VICE CHAIR SHOULD DELEGATE THEIR
10 STATUTORY RESPONSIBILITIES AND PLAY AN OVERSIGHT
11 ROLE AND THOSE WHO BELIEVE THAT THE CHAIR AND VICE
12 CHAIR SHOULD WORK IN PARTNERSHIP WITH THE PRESIDENT,
13 EACH WITH WELL-DEFINED AREAS OF RESPONSIBILITY.

14 NINE RESPONDENTS ANSWERED THAT THE CHAIR
15 AND VICE CHAIR SHOULD DELEGATE, SEVEN MEMBERS SAID
16 THAT THE CHAIR AND VICE CHAIR SHOULD WORK IN
17 PARTNERSHIP WITH THE PRESIDENT, AND THREE SAID THAT
18 THE CHAIR AND VICE CHAIR SHOULD OPERATIONALLY MANAGE
19 THEIR RESPONSIBILITIES. ONE RESPONDENT SAID THAT
20 THE CHAIR AND VICE CHAIR SHOULD SHARE RESPONSIBILITY
21 FOR THEIR DUTIES WITH OTHER BOARD MEMBERS.

22 THE QUESTION REGARDING THE APPROPRIATE
23 REPORTING RELATIONSHIP BETWEEN THE CHAIR, THE VICE
24 CHAIRS, AND THE PRESIDENT, AND THE BOARD REVEALED A
25 SIMILAR SPLIT, WITH ELEVEN OF THE RESPONDENTS

BARRISTERS' REPORTING SERVICE

1 PREFERRING A TRADITIONAL REPORTING MODEL, PRESIDENT
2 TO BOARD CHAIR TO BOARD, AND EIGHT RESPONDENTS
3 PREFERRING A PARTNERSHIP MODEL.

4 MOVING ON TO THE QUESTION REGARDING TIME
5 COMMITMENT. WHAT YOU WILL SEE IS THAT SIX
6 RESPONDENTS EXPRESSED THE VIEW THAT THE PERCENT
7 EFFORT SHOULD BE IN THE RANGE OF 20 TO 50 PERCENT
8 WITH 50 PERCENT AS THE MAXIMUM, THREE RESPONDENTS
9 EXPRESSED THE VIEW THAT THE PERCENT EFFORT SHOULD BE
10 50 PERCENT, AND EIGHT RESPONDENTS SUGGESTED THAT THE
11 PERCENT EFFORT SHOULD BE SOMEWHERE IN THE RANGE OF
12 50 TO 100 PERCENT. AND THOSE ARE ALL BROKEN DOWN ON
13 THE SCREEN AND ON THE PRINTOUT IN FRONT OF YOU. ONE
14 RESPONDENT SAID THE CHAIR SHOULD BE PART TIME
15 WITHOUT DEFINING WHAT THAT MEANT.

16 WITH RESPECT TO SALARY RANGE, WE ASKED THE
17 QUESTION BASED ON PERCENT EFFORT. AND IN ORDER TO
18 MAKE SOME SENSE OUT OF THE ANSWERS, WE ANNUALIZED
19 IT. SO WHAT YOU WILL SEE IS THAT TWO RESPONDENTS
20 BELIEVE THAT THE SALARY SHOULD BE \$500,000 OR MORE
21 AT 100-PERCENT EFFORT. THREE RESPONDENTS BELIEVED
22 THAT THE SALARY SHOULD BE \$500,000 AT 100
23 PERCENT-EFFORT. EIGHT RESPONDENTS THOUGHT THE
24 SALARY SHOULD BE SOMEWHERE BETWEEN 250,000 TO
25 500,000. ONE RESPONDENT SAID IT SHOULD BE 250,000,

BARRISTERS' REPORTING SERVICE

1 AND ONE RESPONDENT SAID IT SHOULD BE LESS THAN
2 250,000. AGAIN, ALL BASED ON 100-PERCENT EFFORT.

3 THE GOVERNANCE SUBCOMMITTEE CONSIDERED
4 EACH OF THESE ITEMS AND TOOK ACTION ON FOUR OF THEM,
5 AS YOU WILL SEE. FIRST THE GOVERNANCE SUBCOMMITTEE
6 VOTED UNANIMOUSLY TO RECOMMEND TO THE CONSTITUTIONAL
7 OFFICERS AND THE BOARD THAT THEY CONSIDER THE
8 FOLLOWING ATTRIBUTES IN EVALUATING POTENTIAL
9 CANDIDATES FOR CHAIR: COLLABORATIVE LEADERSHIP AND
10 VISION, KNOWLEDGEABLE, AND INTELLECTUALLY CURIOUS.
11 THEY ALSO VOTED UNANIMOUSLY WITH RESPECT TO THE
12 DESIRED SKILL SET, AND THOSE SKILL SETS INCLUDE
13 ADVOCACY, LEADERSHIP, SCIENTIFIC UNDERSTANDING, AND
14 GOVERNMENT AND FINANCIAL EXPERTISE AND KNOWLEDGE.

15 BY A VOTE OF FIVE TO THREE, THE GOVERNANCE
16 SUBCOMMITTEE RECOMMENDED THAT THE BOARD ESTABLISH
17 THE PERCENT EFFORT FOR THE NEW CHAIR IN A RANGE OF
18 50 TO 80 PERCENT. AND THE GOVERNANCE SUBCOMMITTEE,
19 TO DUANE ROTH'S QUESTION EARLIER, ALSO RECOMMENDED
20 LEAVING THE CURRENT SALARY RANGE OF 275,000 TO
21 \$508,750 IN PLACE. SO FOR A 50- TO 80-PERCENT
22 EFFORT, THAT WOULD TRANSLATE INTO A SALARY SOMEWHERE
23 IN THE RANGE 137,000 TO \$407,000.

24 THE GOVERNANCE SUBCOMMITTEE ALSO HAD AN
25 EXTENSIVE DEBATE REGARDING THE ALLOCATION OF

BARRISTERS' REPORTING SERVICE

1 RESPONSIBILITIES BETWEEN THE CHAIR AND THE
2 PRESIDENT, BUT DID NOT REACH A CONCLUSION. IT WAS
3 CLEAR FROM THE DISCUSSION THAT THERE WERE SOME
4 MEMBERS WHO FELT THAT THE CHAIR AND VICE CHAIR
5 SHOULD WORK IN PARTNERSHIP WITH THE PRESIDENT, EACH
6 WITH WELL-DEFINED AREAS OF RESPONSIBILITY, WHILE
7 OTHERS BELIEVED THAT THE CHAIR SHOULD DELEGATE
8 OPERATIONAL RESPONSIBILITY TO STAFF.

9 SHERRY LANSING, THE CHAIR OF THE
10 GOVERNANCE SUBCOMMITTEE, ATTEMPTED TO TRY TO FIND A
11 COMPROMISE. UNFORTUNATELY THE GOVERNANCE
12 SUBCOMMITTEE DIDN'T HAVE SUFFICIENT TIME TO CONSIDER
13 AND TAKE ACTION ON THE COMPROMISE, BUT DIRECTED ME
14 TO TRY TO ARTICULATE THE PROPOSAL THAT JEFF SHEEHY
15 MADE, WHICH YOU WILL SEE ON THE SCREEN BEFORE YOU.
16 THAT PROPOSAL, IN ESSENCE, WOULD PROVIDE THAT THE
17 GOVERNANCE SUBCOMMITTEE RECOMMENDS THAT THE BOARD
18 CLEARLY DELINEATE THE DISCRETE RESPONSIBILITIES OF
19 THE CHAIR, VICE CHAIRS, AND PRESIDENT, AND THAT THE
20 CHAIR AND VICE CHAIRS LEAD A ROBUST OVERSIGHT
21 EFFORT, INCLUDING TAKING ADVANTAGE OF THE SKILLS OF
22 BOARD MEMBERS IN CONDUCTING THEIR OVERSIGHT ROLE.
23 AND IF THE CHAIR AND VICE CHAIRS POSSESS EXPERTISE
24 IN THE AREAS OF RESPONSIBILITY ASSIGNED TO THEM
25 UNDER PROP 71, THEN THE BOARD MAY ELECT TO TAKE

BARRISTERS' REPORTING SERVICE

1 ADVANTAGE OF THEIR EXPERTISE OPERATIONALLY IN THOSE
2 AREAS AS WELL.

3 AS I SAID, THE GOVERNANCE SUBCOMMITTEE DID
4 NOT TAKE ACTION ON THIS BECAUSE IT HADN'T YET BEEN
5 DRAFTED AND PRESENTED IN A CLEAR MANNER. BUT SHERRY
6 LANSING ASKED ME TO OFFER IT TO YOU TODAY FOR YOUR
7 CONSIDERATION AND DISCUSSION.

8 SO WE WOULD REQUEST THAT THE BOARD APPROVE
9 A MOTION ADOPTING THE GOVERNANCE SUBCOMMITTEE'S
10 RECOMMENDATIONS REGARDING DESIRED ATTRIBUTES,
11 COLLABORATIVE LEADERSHIP, VISION, KNOWLEDGEABLE, AND
12 INTELLECTUALLY CURIOUS. DESIRED SKILLS: ADVOCACY,
13 LEADERSHIP, SCIENTIFIC UNDERSTANDING, AND
14 GOVERNMENTAL AND FINANCIAL EXPERTISE. THE PERCENT
15 EFFORT WOULD BE 50 TO 80 PERCENT AS RECOMMENDED BY
16 THE GOVERNANCE SUBCOMMITTEE. AND THE SALARY RANGE
17 WOULD BE LEFT IN PLACE AS IT STANDS CURRENTLY.

18 AND WE WOULD PUT TO YOU THE QUESTION OF
19 WHETHER YOU WANT TO CONSIDER THE ALLOCATION OF
20 DUTIES, INCLUDING THE COMPROMISE PROPOSAL THAT WE
21 DRAFTED, OR REFER THE MATTER BACK TO THE GOVERNANCE
22 SUBCOMMITTEE FOR FURTHER CONSIDERATION.

23 CHAIRMAN KLEIN: THANK YOU, MR. HARRISON.
24 THE QUESTION BEFORE US IS A VERY COMPLICATED ONE,
25 AND I THINK, AS WELL, THERE'S TWO DIFFERENT POINTS

BARRISTERS' REPORTING SERVICE

1 OF VIEW HERE UNDERLYING THE STRUCTURE AND
2 ALLOCATIONS OF RESPONSIBILITIES PERHAPS REFLECTED IN
3 JEFF'S COMPROMISE MOTION. AND THAT IS THAT, AND
4 I'LL ASK CLAIRE TO MAYBE SPEAK TO THE OTHER
5 VIEWPOINT BECAUSE SHE DID A GOOD JOB, AS SHE ALWAYS
6 DOES, OF ARTICULATING IT IN THE GOVERNANCE
7 SUBCOMMITTEE, THAT BASICALLY I'VE, FROM MY
8 EXPERIENCE FOR SIX AND A HALF YEARS, I BELIEVE THAT
9 LOOKING AT THE RESPONSIBILITIES OF AN
10 ENTREPRENEURIAL AGENCY THAT OPERATES WITHIN A
11 6-PERCENT BUDGET THAT DOESN'T HAVE LAYERS OF
12 SPECIALISTS TO RELY UPON, YOU REALLY NEED TO LOOK AT
13 THE INDIVIDUALS WHO YOU HAVE AVAILABLE AND MAKE AN
14 INTERDEPENDENT DECISION ON WHAT YOU'RE DELEGATING TO
15 OTHERS AND WHAT THEY'RE GOING TO PERFORM ON.

16 YOU DON'T HAVE THE CHOICE OF 300 PEOPLE TO
17 FILL THE POSITION. IT'S NOT A CAREER PATH FOR
18 ANYONE. I GUARANTEE THERE'S NO PROMOTIONS, AND I
19 GUARANTEE YOU NO MATTER WHAT THEY SAY, THERE WILL BE
20 SOME PRESS NEGATIVISM THAT THEY HAVE TO BE PREPARED
21 TO FACE.

22 HOPEFULLY YOU GET A TREMENDOUS ARRAY OF
23 TALENT IN THE PERSON, BUT IT'S GOING TO BE THE
24 INDIVIDUAL THAT FITS, BASED ON THE BOARD'S
25 EVALUATION OF THEIR TALENTS, THAT I BELIEVE IS GOING

BARRISTERS' REPORTING SERVICE

1 TO BE THE BASIS ON WHICH YOU ARE GOING TO HAVE TO
2 WORK WITH YOUR GOALS AND OBJECTIVES, YOUR MISSION
3 CRITICAL OBJECTIVES, AND DECIDE WHAT THEY CAN
4 FULFILL, WHAT THE PRESIDENT'S OFFICE CAN FULFILL,
5 ALWAYS, THOUGH, STAYING WITH THE CHAIR CLOSELY
6 WITHIN THE RANGE OF WHAT THE INITIATIVE CALLS OUT AS
7 BASIC AREAS FOR THE CHAIR, WHICH ARE THE
8 FINANCIAL -- CHAIR'S OFFICE, INCLUDING THE VICE
9 CHAIRS, THE FINANCIAL, THE GOVERNMENTAL, THE PUBLIC
10 COMMUNICATIONS ISSUES AND, OF COURSE, THE LEGAL
11 ISSUES AT THE BOARD LEVEL, AS WELL AS FUNCTIONS ON
12 SITTING ON PEER REVIEW, ACTING AS A BRIDGE FOR THE
13 BOARD TO THE BOARD FROM PEER REVIEW ALONG WITH THE
14 CHAIR AND VICE CHAIR, ALONG WITH THE VICE CHAIRS OF
15 THE PEER REVIEW GROUP, AND THE OTHER STATUTORY
16 FUNCTIONS.

17 CLAUDE, YOU HAD A DIFFERENT STRUCTURAL
18 PERSPECTIVE, AND I THINK IT WOULD BE HELPFUL FOR YOU
19 TO PUT THAT ON THE PLATFORM TOO.

20 DR. POMEROY: THANK YOU, BOB. I
21 APPRECIATE THE OPPORTUNITY. I THINK OUR SHARED GOAL
22 HERE IS TO HAVE A HIGH FUNCTIONING ORGANIZATION THAT
23 ACCOMPLISHES THE INCREDIBLY INSPIRING MISSION OF
24 CIRM. MY BELIEF IS THAT THIS ORGANIZATION HAS NOW
25 EVOLVED TO THE POINT THAT THE WAY TO ACCOMPLISH THAT

BARRISTERS' REPORTING SERVICE

1 IS TO ENSURE THAT OUR STAFF, WHO ARE INCREDIBLY
2 TALENTED, ARE RESPECTED AND EMPOWERED TO RUN THE
3 ORGANIZATION.

4 I BELIEVE THAT IT IS THE ROLE OF THE BOARD
5 TO PROVIDE THE CORE VALUES AND THE STRATEGIC
6 FRAMEWORK WITHIN WHICH THE STAFF FUNCTION. AND IT
7 IS THE JOB OF THE BOARD TO ENSURE THAT WE HIRE THE
8 VERY BEST STAFF, AND I THINK WE'VE DONE THE LATTER
9 WELL.

10 I THINK THAT THERE'S NO DOUBT THAT THE
11 PUBLIC UNDERSTANDS THAT THIS ORGANIZATION HAS NOT
12 BEEN OPTIMALLY FUNCTIONAL BECAUSE OF THE LACK OF
13 CLARITY BETWEEN THE ROLE OF THE BOARD CHAIR AND THE
14 PRESIDENT OF CIRM. AND WE NOW TODAY HAVE THE
15 OPPORTUNITY TO MAKE THAT CLEAR AND TO MOVE THE
16 ORGANIZATION FORWARD.

17 I BELIEVE THAT THE STATUTORY REQUIREMENTS
18 CAN BE VERY EFFECTIVELY MET BY AN OVERSIGHT ROLE IN
19 WHICH THE STAFF ARE HELD TO THE HIGHEST STANDARDS OF
20 PERFORMANCE. AND IF, IF, THEY FAIL TO MEET THOSE
21 HIGH EXPECTATIONS, THAT WE THEN HAVE THE
22 RESPONSIBILITY TO PROVIDE INPUT AT THAT POINT, BUT
23 THAT WE SHOULD EMPOWER THEM TO GO AND DO THEIR JOB,
24 WHICH, I BELIEVE, THEY WILL DO EFFECTIVELY WITHOUT
25 THE MICROMANAGEMENT OF OUR BOARD.

BARRISTERS' REPORTING SERVICE

1 I ALSO BELIEVE THAT ONE OF THE REASONS
2 THAT THERE HAS BEEN CONFUSION AND PERHAPS NOT AS
3 MANY APPLICANTS OR PEOPLE EXPRESSING INTEREST AS WE
4 WOULD LIKE IN THE BOARD CHAIR POSITION IS BECAUSE WE
5 FAILED TO EXPLICITLY DEFINE WHAT THIS ROLE IS. AND
6 I THINK THAT IF WE SAY, WELL, THE ROLE BECOMES
7 WHATEVER THE PERSON IS CAPABLE OF, WE'RE BUILDING A
8 BOARD AROUND AN INDIVIDUAL RATHER THAN SAYING THESE
9 ARE THE ATTRIBUTES, THESE ARE THE SKILLS, THIS IS
10 THE ROLE THAT WE EXPECT FROM THE BOARD CHAIR. AND
11 THEN PEOPLE WILL UNDERSTAND WHAT THEY MIGHT BE
12 APPLYING FOR AND THAT WE WILL HAVE MORE APPLICANTS.

13 SO I DO FEEL STRONGLY ABOUT THIS BECAUSE I
14 BELIEVE IN THE MISSION OF CIRM. AND THIS, IN MY
15 OPINION, IS THE BEST WAY TO GET TO THAT MISSION.
16 THANK YOU FOR THE OPPORTUNITY TO PRESENT THAT
17 PERSPECTIVE.

18 CHAIRMAN KLEIN: THANK YOU VERY MUCH. DR.
19 PRICE.

20 DR. PRICE: I WOULD WONDER, JAMES, IF YOU
21 COULD -- YOU PROBABLY DON'T HAVE IT HERE WITH YOU,
22 BUT IF YOU COULD PRESENT TO US THE ACTUAL PORTIONS
23 OF PROP 71 WHICH LAY OUT THE RESPONSIBILITIES OF THE
24 DIFFERENT OFFICES. FRANKLY, I HEAR CLAIRE VERY
25 CLEARLY, BUT I ACTUALLY DON'T UNDERSTAND HOW YOU CAN

BARRISTERS' REPORTING SERVICE

1 THEN INTERPRET THE OVERSIGHT ROLE AS CONSISTENT WITH
2 THE SPECIFIC THINGS THAT I'VE HEARD ARE IN PROP 71.
3 AND, JAMES, YOU'VE SAID THEY'RE THERE, BUT THEY'RE
4 SUBJECT TO INTERPRETATION WITHIN THE LAW.

5 WELL, WHAT IS WITHIN THE LAW? THAT'S WHAT
6 I CAN'T ACTUALLY FIGURE OUT. SO MAYBE IF YOU COULD
7 SHOW US WHAT THE PROPOSITION ACTUALLY SAYS, WE CAN
8 PLAY LIKE WE'RE EACH OUR OWN LAWYERS AND FIGURE IT
9 OUT.

10 MR. HARRISON: I'D BE HAPPY TO E-MAIL A
11 COPY OF IT TO ALL OF YOU. NO. JUST THE SECTION
12 RELATED TO THE CHAIR. I CAN BRIEFLY SUMMARIZE IT,
13 IF YOU'D LIKE. WHAT IT SAYS IS THAT UNDER PROP 71,
14 THE CHAIRPERSON'S PRIMARY RESPONSIBILITIES ARE TO
15 MANAGE THE BOARD'S AGENDA, INCLUDING THE BOARD'S
16 CONSIDERATION OF GRANT APPLICATIONS AND STANDARDS,
17 TO SUPERVISE CIRM'S ANNUAL REPORT AND PUBLIC
18 ACCOUNTABILITY REQUIREMENTS, WHICH ARE DEFINED IN
19 THE LAW, TO MANAGE AND OPTIMIZE CIRM'S BOND
20 FINANCING AND CASH FLOW PLANS, TO INTERFACE WITH THE
21 CALIFORNIA LEGISLATURE, THE UNITED STATES CONGRESS,
22 THE CALIFORNIA HEALTHCARE SYSTEM, AND THE CALIFORNIA
23 PUBLIC, TO OPTIMIZE ALL FINANCIAL LEVERAGE
24 OPPORTUNITIES FOR CIRM, AND TO LEAD NEGOTIATIONS FOR
25 INTELLECTUAL PROPERTY AGREEMENTS, POLICIES, AND

BARRISTERS' REPORTING SERVICE

1 CONTRACT TERMS.

2 AND THEN THERE ARE SEPARATE PROVISIONS IN
3 THE LAW THAT SPECIFY THAT THE CHAIR SERVES AS A
4 MEMBER OF EACH OF THE WORKING GROUPS, HAS THE POWER
5 TO APPOINT TWO MEMBERS TO THE CALIFORNIA STEM CELL
6 RESEARCH AND CURES FINANCE COMMITTEE, AND SERVES AS
7 A MEMBER OF THAT COMMITTEE.

8 CHAIRMAN KLEIN: SO I JUST FROM AN
9 EMPIRICAL VIEWPOINT AS WELL, JAMES HAS A DATABASE OF
10 THE HOURS THAT I HAVE PERSONALLY SPENT IN THESE
11 FUNCTIONS. AND I THINK IT WOULD BE VALUABLE, JAMES,
12 BEFORE THE NEXT BOARD MEETING, TO BREAK THAT DOWN BY
13 CLASSIFICATION SO THAT THE BOARD MEMBERS CAN SEE
14 WHAT KIND OF TIME IS RESPONSIBLE FOR EACH SECTOR.
15 AND I WILL TELL YOU THAT MY GUESS IS THAT YOU'RE
16 INTO 50 PERCENT OF YOUR TIME BEFORE YOU DEAL WITH
17 ANYTHING OTHER THAN ALL THE BOARD AGENDA ITEMS, ALL
18 THE PREPARATION FOR THAT, RELATING TO ALL THE BOARD
19 MEMBERS AND THEIR IDEAS, WORKING WITH THOSE IDEAS TO
20 GET THEM DEVELOPED, AND THE LEGAL ISSUES RELATED TO
21 THEM, AND PROCESS ISSUES.

22 SO IT IS VERY IMPORTANT TO REALIZE IT IS A
23 CAREFUL MAZE WE WALK THROUGH. IT IS A VERY DENSE
24 THICKET OF LEGAL SYSTEMS THAT WE HAVE TO MAKE SURE
25 WE'RE ACCOUNTABLE FOR AND APPROPRIATELY FUNCTION BY

BARRISTERS' REPORTING SERVICE

1 WITH A GREAT DEAL OF SENSITIVITY. THE PUBLIC KNOWS,
2 FOR EXAMPLE, THAT WE EVEN CANCELED AN RFA ALONG THE
3 WAY BECAUSE INADVERTENTLY IN AN RFA STAFF HAD SENT
4 OUT AN INSTRUCTION FOR ALL THE DEANS TO PROVIDE A
5 LETTER OF SUPPORT, WHICH THEY DUTIFULLY DID, AND ALL
6 OF THOSE SCHOOLS HAD TO BE TAKEN OUT OF
7 CONSIDERATION OF THE AWARD.

8 SO AMONG THE FIREWALLS WE PUT IN PLACE
9 AFTER THAT EXERCISE WAS THAT IT WASN'T JUST THE
10 MAJOR RFA'S, BUT EVERY RFA IS GONE THROUGH BY ME
11 PERSONALLY AS WELL AS THE CHAIR AND THE VICE CHAIRS,
12 WHEN THEY'RE AVAILABLE, TO MAKE CERTAIN THAT WE HAVE
13 SCRUTINIZED ALL THE CONFLICTS ISSUES TO THE NTH
14 DEGREE AS A DUAL LAYER. PERHAPS THAT'S REDUNDANT
15 SAFETY, BUT I WILL TELL YOU THE PEOPLE WHOSE RFA'S
16 WERE CANCELED WERE EXTREMELY UPSET. THAT'S NOT THE
17 ONLY OCCASION THAT THIS HAS HAPPENED IN A VERY
18 SOPHISTICATED TECHNICAL ISSUE. AND IT IS ON
19 NUMEROUS OCCASIONS THAT WE SCREEN ISSUES COMING TO
20 THIS BOARD FOR CONFLICTS ISSUES THAT APPEAR TO BE
21 VERY ARCANE, BUT THEY'RE VERY SUBSTANTIVE.

22 AND AS THIS BOARD KNOWS WHEN WE HAVE
23 GRANTS WITH A LOT OF THE BOARD MEMBERS HAVING
24 INSTITUTIONAL APPLICATIONS INVOLVED, THE MATH TO
25 FIGURE OUT WHO YOU NEED TO GET TO COME TO THAT BOARD

BARRISTERS' REPORTING SERVICE

1 MEETING TO MAINTAIN A QUORUM, IN FACT, CAN BE A
2 WHOLE DAY EXERCISE. THAT SEEMS LIKE A SMALL
3 EXAMPLE, BUT I'LL TELL YOU THAT WHEN YOU HAVE
4 ABSTENTIONS AND RECUSALS, THAT IT IS A VERY
5 SENSITIVE, INTRICATE SYSTEM TO MAKE SURE YOU ARE
6 CROSS-CHECKING AND CONFORMING TO ALL OF THE
7 REQUIREMENTS.

8 THIS BOARD, 40 MEMBERS OF THIS BOARD ALONG
9 THE WAY HAVE SERVED AS CHAIRS OR VICE CHAIRS OF
10 COMMITTEES. SO I WORKED WITH 40 DIFFERENT PEOPLE
11 BECAUSE, AS YOU REALIZE, WE DON'T HAVE JUST 29
12 MEMBERS WHO ARE STABLE FOR SIX YEARS. WE ROTATE
13 THROUGH A NUMBER OF PEOPLE OVER A PERIOD OF SIX
14 YEARS, AND THAT ACTUALLY INCLUDES TASK FORCE CHAIRS.
15 SO THERE'S A GREAT DEAL OF INTERFACE WITH A VERY
16 LARGE GROUP OF PEOPLE WITH BRILLIANT IDEAS AND A LOT
17 OF RESOURCES.

18 ADDITIONAL BOARD COMMENT ON THIS QUESTION?

19 MR. ROTH: SO I'M GOING TO JUST BEGIN BY
20 REINFORCING SOME OF THE THINGS THAT CLAIRE SAID. I
21 HAVE A PARTICULAR BELIEF THAT IT WOULD BE IMPOSSIBLE
22 TO DUPLICATE THE CURRENT SYSTEM THAT WE HAVE. I
23 THINK, REGARDLESS IF YOU THOUGHT WE NEEDED AN
24 EXECUTIVE CHAIRMAN IN THE FUTURE, IT WON'T BE BOB
25 KLEIN. SO THAT'S A UNIQUE SET OF SKILLS. AND,

BARRISTERS' REPORTING SERVICE

1 AGAIN, I WOULD ASK THAT YOU SET THAT ASIDE BECAUSE
2 IT WORKED BECAUSE OF BOB. THERE CERTAINLY WERE
3 ISSUES THAT HAVE COME UP ALONG THE WAY. THIS HAS
4 BEEN FLAGGED IN OUR TWO EXTERNAL REVIEWS AS
5 SOMETHING WE NEED TO GET FIXED, AND SO I THINK WE
6 NEED TO FOCUS ON THAT.

7 BUT I ALSO WANT TO ADDRESS WHAT BOB PRICE
8 JUST RAISED. I THINK WHAT JAMES SAID, AND I BELIEVE
9 THIS TO BE THE CASE, IS THAT THESE RESPONSIBILITIES
10 THAT ARE INCORPORATED IN THE OFFICE OF THE CHAIR,
11 THE NEXT CHAIR IS GOING TO HAVE TO DELEGATE TO US IN
12 TERMS OF OVERSIGHT SOME OF THESE RESPONSIBILITIES
13 AND TO THE STAFF AT THE SAME TIME. SO THERE ARE
14 OTHER WAYS TO MEET THE REQUIREMENTS UNDER
15 PROPOSITION 71 THAT ARE JUST DIFFERENT, AND THEY
16 WILL BE INDEPENDENT OF WHETHER YOU SUPPORT AN
17 EXECUTIVE CHAIR ROLE OR A STRONG MANAGEMENT SYSTEM
18 WITH A STRONG OVERSIGHT SYSTEM.

19 I'VE USED BEFORE, MICHAEL GOLDBERG IS A
20 VERY GOOD EXAMPLE. I HAVE CONFIDENCE IN MICHAEL AND
21 HIS COMMITTEE TO LOOK AT THE FINANCIAL ISSUES AND
22 THE BONDING ISSUES, BUT THEY'LL HAVE TO TAKE THAT AS
23 A FULL-TIME RESPONSIBILITY WORKING WITH THE OFFICE
24 OF MANAGEMENT, IF YOU HAD IT SET UP THAT WAY, AND SO
25 ON. THE SCIENCE REVIEWS, ALL THE THINGS THAT ARE

BARRISTERS' REPORTING SERVICE

1 DONE CAN BE ACCOMPLISHED IN A DIFFERENT WAY. AND
2 THIS IS NOT A DECISION ABOUT WHETHER IT WAS DONE
3 RIGHT IN THE PAST. IT'S SIMPLY GOT TO CHANGE FOR
4 THE FUTURE.

5 AND SO I CERTAINLY COME DOWN ON THE SIDE
6 THAT WE NEED TO TRY A DIFFERENT SYSTEM, ONE THAT
7 REALLY DELINEATES VERY CLEARLY THE LINES OF
8 RESPONSIBILITY AND THE OVERSIGHT VERSUS THE
9 MANAGEMENT OF THE ORGANIZATION.

10 MR. SERRANO-SEWELL: THANK YOU. WE HAD A
11 REALLY GOOD AND ROBUST DISCUSSION AT THE GOVERNANCE
12 COMMITTEE A FEW WEEKS BACK. WE GOT A LOT OF THESE
13 ISSUES ON THE TABLE, AND I THOUGHT IT WAS A VERY
14 GOOD CONVERSATION. AND WHAT I WANTED TO SHARE, I'VE
15 BEEN ON, LIKE MANY OF US HERE, SINCE THE
16 COMMISSION'S BEGINNING AND STRUGGLED WITH THE ISSUE
17 OF IS IT FULL TIME, PART TIME. ALL I KNOW IS THE
18 RESPONSIBILITIES OF THE OFFICE OF THE CHAIR ARE
19 IMMENSE. AND THEY TOUCH SO MANY AREAS FOR WHICH THE
20 PUBLIC ENTRUSTS NOT STAFF, BUT THE CITIZEN
21 COMMISSIONERS TO BE RESPONSIBLE FOR.

22 ISSUES OF GOOD GOVERNANCE, ISSUES OF
23 TRANSPARENCY, ISSUES OF SENSITIVITY AROUND THE
24 POLITICAL HOW THINGS LOOK, AND OUTREACH TO OUR
25 CONSTITUENCIES. THAT'S WHAT THE VOTERS SAID WE

BARRISTERS' REPORTING SERVICE

1 WANT, WHO APPROVED THIS SYSTEM. WHETHER WE DISAGREE
2 WITH IT OR NOT, IT WAS THE VOTERS THAT APPROVED IT,
3 THAT WE WANT THOSE CHARACTERISTICS, THOSE
4 RESPONSIBILITIES TO BE RETAINED IN THE OFFICE OF THE
5 CHAIR AND THE VICE CHAIR.

6 I DON'T THINK WE SHOULD BE IN THE BUSINESS
7 OF MODIFYING IT OR AUGMENTING IT OR IMPOSING
8 ARTIFICIAL BARRIERS AROUND THOSE STATUTORY
9 RESPONSIBILITIES. I UNDERSTAND VERY CLEARLY THAT WE
10 AS A BOARD, AS JAMES HAS SAID, CAN DIRECT THE OFFICE
11 OF THE CHAIR TO IMPLEMENT THOSE RESPONSIBILITIES IN
12 A CERTAIN WAY. BUT LET'S BE REALISTIC. YES, WE'RE
13 NO LONGER, QUOTE, A START-UP STATE AGENCY. I
14 UNDERSTAND THAT. BUT THE CHALLENGES HAVEN'T
15 CHANGED. THEY HAVEN'T. THERE WILL STILL BE
16 STRUGGLES WITH FINANCING. THERE WILL STILL BE
17 STRUGGLES WITH FINANCING. THERE WILL STILL BE
18 STRUGGLES WITH OUR PEOPLE WHO WANT TO SEE THIS
19 SCIENCE END. THEY'RE STILL OUT THERE, AND THEY
20 HAVEN'T GONE AWAY. THAT'S FINE. THAT'S THEIR
21 RIGHT. WE'RE GOING TO STILL BE CONTENDING WITH
22 THEM. THERE'S STILL THE INTERPLAY WITH ALL OF THE
23 STAKEHOLDERS AND THE VARIOUS INSTITUTIONS AND
24 APPLICANTS.

25 ALL OF THESE THINGS, WHILE WE CAN'T FIND A

BARRISTERS' REPORTING SERVICE

1 BOB CLONE REPLACEMENT, AND I DON'T THINK WE'RE
2 LOOKING FOR THAT, WE CAN FIND, HOPEFULLY, IF SOMEONE
3 IS NOMINATED, A PERSON THAT HAS SOME OF THOSE SKILL
4 SETS. AND I DON'T WANT TO FORECLOSE THAT
5 POSSIBILITY BECAUSE I THINK THE POSITION IS 20
6 PERCENT, WHICH BY THE WAY I DON'T. I THINK IT'S ON
7 THE HIGHER SCALE. AND TO ME WE'VE SEEN TIME AND
8 TIME AGAIN EXAMPLE AFTER EXAMPLE WHERE IT WAS US,
9 THE CITIZENS' COMMISSIONERS, NOT MICROMANAGING, BUT
10 COMING INTO A SITUATION AT THE INVITATION OF THE
11 CHAIR OR THE VICE CHAIR BECAUSE THEY ARE SOLICITOUS
12 AND SAY HOW CAN WE UNDO THIS KNOT? HOW CAN WE FIX
13 IT? IT'S A SENSITIVITY, IN MY VERY STRONG OPINION,
14 THAT ONLY SOMEONE WHO IS APPOINTED BY AN ELECTED
15 OFFICIAL CAN APPRECIATE BECAUSE THAT ELECTED
16 OFFICIAL HAD TO GO THROUGH THE RIGAMAROLE OF GETTING
17 ELECTED, WHICH IS NO EASY BUSINESS, AND HAS TO
18 RESPOND TO COMPETING CONSTITUENCIES.

19 AND SO THEY UNDERSTAND BEST FOR OUR
20 CONSIDERATION AND IN THIS CONTEXT WHAT THAT
21 INDIVIDUAL SHOULD LOOK LIKE. SO LEAN TOWARDS MORE,
22 YOU KNOW, MORE FULL TIME THAN LESS. IF I HAD TO PUT
23 A NUMBER ON IT, WHICH I DON'T THINK I REALLY WANT
24 TO, IT WOULD BE LIKE 80 PERCENT. BUT ANYTHING BELOW
25 50, TO ME, WE'RE DOING A DISSERVICE TO OURSELVES, I

BARRISTERS' REPORTING SERVICE

1 THINK WE'RE DOING A DISSERVICE TO STAFF, AND I THINK
2 WE'RE DOING A DISSERVICE TO OUR MISSION.

3 CHAIRMAN KLEIN: TED, YOU WERE CHIEF
4 SCIENTIFIC OFFICER FOR A TERM. SO YOU'VE BEEN ON
5 THE SCIENCE SIDE AS WELL AS ON THE BOARD. YOU HAVE
6 KIND OF A UNIQUE PERSPECTIVE.

7 I WOULD SAY TO EVERYONE HERE THAT I PUT
8 OUT AN INTENSE EFFORT TO RECRUIT PEOPLE AS CHAIRS
9 AND VICE CHAIRS OF COMMITTEE AND MEMBERS OF
10 COMMITTEES. AND I WILL TELL YOU IT'S VERY DIFFICULT
11 BECAUSE YOU'RE BRILLIANT PEOPLE WITH EXTRAORDINARY
12 ROLES OUTSIDE OF THIS BOARD. SO PEOPLE ARE MAKING
13 SACRIFICES WHEN THEY ARE AGREEING TO TAKE ON A MAJOR
14 ROLE OF A CHAIR OR A VICE CHAIR OF A COMMITTEE, AND
15 THE INTERFACE LEVEL IS VERY HIGH BETWEEN THOSE
16 CHAIRS AS THEY TRY AND GET SUPPORT FROM THE BOARD
17 CHAIR OR VICE CHAIRS AND MAKE CERTAIN THAT NUMBERS
18 THAT APPEAR TO BE OFF, IN FACT, ARE OFF, OR
19 SCIENTIFIC ISSUES HAVE THE RIGHT PROCESS.

20 BUT, TED, YOU'VE GOT THIS UNIQUE
21 PERSPECTIVE. WHAT IS YOUR VIEW?

22 DR. LOVE: WELL, ONE OF THE POINTS I WAS
23 GOING TO MAKE, BOB, IS THAT I SIGNED OFF THE
24 GOVERNANCE COMMITTEE MEETING A LITTLE EARLY, SO I
25 DIDN'T GET A CHANCE TO VOTE ON SOME OF THE ISSUES

BARRISTERS' REPORTING SERVICE

1 ABOUT TIME. BUT I WOULD HAVE VOTED, AND I'M GOING
2 ECHO A LITTLE BIT OF WHAT DAVID JUST SAID, I WOULD
3 HAVE VOTED ON THE HIGHER SIDE. AND CERTAINLY I'M
4 COMFORTABLE WITH THIS 50- TO 80-PERCENT RANGE. BUT
5 MY VIEW OF IT PERSONALLY, AT THIS POINT ANYWAY, IS
6 THAT WE DO STILL HAVE A LOT OF CHALLENGES IN FRONT
7 OF US, AS DAVID SAID. AND I THINK WE HAVE A LOT OF
8 THE CHALLENGES IN FRONT OF US THAT LOOK LIKE WHAT
9 WE'VE EXPERIENCED IN THE PAST, AND WE PROBABLY HAVE
10 SOME CHALLENGES IN FRONT OF US THAT WE DON'T EVEN
11 FULLY ANTICIPATE TODAY.

12 AND I THINK HAVING STRONG, CAPABLE
13 LEADERSHIP IN THE CHAIR ROLE IS GOING TO BE QUITE
14 IMPORTANT FOR US. AND THAT'S WHY I'D BE RELUCTANT
15 FOR US TO BE TOO PRESCRIPTIVE ABOUT WHO THAT PERSON
16 HAS TO BE TODAY AND LIMIT THE QUALITY OF CANDIDATES
17 THAT WE EVEN GET TO THE TABLE. AT THIS POINT I
18 THINK WE REALLY DO WANT TO TRY TO CONTINUE TO BE
19 BROAD, ATTRACT THE BROADEST POSSIBLE GROUP OF
20 QUALITY CANDIDATES. AND THEN BASED ON THOSE
21 INDIVIDUALS, BE MORE SPECIFIC ABOUT HOW THINGS
22 SHOULD WORK.

23 SO I'M SUPPORTIVE REALLY OF US BEING AS
24 BROAD AS POSSIBLE IN TERMS OF TIME AND KEEPING
25 OPTIONS OPEN.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: I HAVE ART AND THEN JEFF
2 SHEEHY AND DR. PIZZO, AND THEN JOAN.

3 MR. TORRES: I THINK I'M THE ONLY ONE HERE
4 WHO'S GONE THROUGH AN ELECTION. IT'S NOT EASY.
5 IT'S NOT PRETTY. AND IT'S NOT COMFORTABLE. WE HAVE
6 FOUR CONSTITUTIONAL OFFICERS WHO HAVE A DIRECT
7 JURISDICTION OVER THIS AGENCY. PUT YOURSELF IN
8 THEIR SHOES. ARE THEY GOING TO NOMINATE SOMEONE WHO
9 POTENTIALLY COULD EARN \$507,000 IN TODAY'S CLIMATE?
10 I THINK NOT. WOULD THEY OFFER SOMEONE THAT COULD
11 EARN UP TO 80 PERCENT TIME, 406,000? I THINK NOT.

12 YOU HAVE TO CONSIDER THAT ISSUE. WE ARE
13 IN PERILOUS TIMES. AND EVEN THOUGH WE HAVE A
14 6-PERCENT CAP ON OPERATING COSTS, EVEN THOUGH OUR
15 ECONOMIC FACTORS, USING THE MOST CONSERVATIVE
16 INDEXES, SAY THAT WE BRING IN \$225 IN NEW REVENUE
17 BETWEEN NOW AND 2014 -- 225 MILLION BETWEEN NOW AND
18 2014 WITHOUT IMPACTING THE GENERAL FUND, THAT'S
19 STILL NOT ENOUGH. THAT'S STILL NOT ENOUGH.

20 SO IF YOU'RE ASKING A GOVERNOR OR
21 LIEUTENANT GOVERNOR OR A TREASURER OR A CONTROLLER
22 TO NOMINATE A CANDIDATE, HOWEVER THE QUALIFICATIONS
23 THAT EMERGE FROM THIS MEETING OR SUBSEQUENT
24 MEETINGS, YOU'RE GOING TO HAVE TO CONSIDER THE
25 FINANCIAL ASPECTS AS WELL, AND WHETHER A CANDIDATE

BARRISTERS' REPORTING SERVICE

1 FOR THIS OFFICE WANTS TO PURSUE THAT OR NOT, NO. 1.
2 NO. 2, I THOUGHT THAT WE HAD PRESENTED
3 FROM THE PRESIDENT A VERY GOOD PLAN AT OUR LAST
4 EXECUTIVE BOARD MEETING WHERE A REORGANIZATION WAS
5 PRESENTED. AND I THOUGHT IT WAS PRETTY GOOD OF ALAN
6 TO PUT THAT FORWARD. AND THAT IS TO DEAL WITH THE
7 ISSUES OF FINANCE AND COMMUNICATIONS WITHIN THE
8 CHAIR, BUT TO LEAVE THE REST TO THE PRESIDENT, WHICH
9 IS WHY I ALIGN MYSELF WITH DR. POMEROY.

10 I DO BELIEVE, AS DOES THE CONTROLLER, AND
11 IN MY CONVERSATIONS LAST EVENING WITH THE TREASURER,
12 THEY WOULD LIKE TO SEE A MORE OVERSIGHT ROLE FOR THE
13 CHAIR OF THIS AGENCY AND TO HOLD ACCOUNTABLE THE
14 PRESIDENT AND THE SCIENTIFIC STAFF BASED UPON OUR
15 OVERSIGHT.

16 NOW, WHEN JAMES ARTICULATED THE
17 RESPONSIBILITIES OF THE CHAIR UNDER THE CONSTITUTION
18 OF THIS STATE, IT WAS VERY CLEAR. IT INCLUDES CASH
19 FLOW. IT INCLUDES IP. IT INCLUDES MANAGING THE
20 BOARD. IT INCLUDES FINANCIAL ISSUES. AND THAT'S
21 WHY I WAS SUPPORTIVE OF DR. TROUNSON'S PROPOSAL TO
22 PUT THE, QUOTE, FINANCE PART, THE CASH FLOW PART,
23 THE BOND FINANCING PART, WHICH IS NOT A REQUIRED
24 ATTRIBUTE OF A NEW CHAIR, WITHIN THE CHAIR'S OFFICE
25 AS WELL AS COMMUNICATIONS, KEEPING THE SCIENTIFIC

BARRISTERS' REPORTING SERVICE

1 COMMUNICATIONS UNDER THE JURISDICTION OF THE
2 PRESIDENT.

3 IF WE'RE GOING TO MOVE TO GOOD PRACTICES
4 AS A CORPORATION, WHICH WE'RE NOT, WE'RE A PUBLIC
5 ENTITY, BUT WE'RE PRETTY CLOSE TO IT, THEN WE NEED
6 TO START THINKING ABOUT WHAT THOSE BEST PRACTICES
7 ARE. AND THEY INVOLVE AN OVERSIGHT ROLE FOR A CHAIR
8 AND A BOARD AND HOLD ACCOUNTABLE THE STAFF IN TERMS
9 OF THEIR RESPONSIBILITIES.

10 I DID NOT COME TO THIS DECISION LIGHTLY.
11 IT'S BEEN A VERY DIFFICULT JOURNEY FOR ME BECAUSE
12 THERE ARE SO MANY VARIABLES INVOLVED. LET'S ALSO
13 KEEP IN MIND, AS WE MOVE FORWARD, THAT IF THOSE
14 CANDIDATES ARE OUT THERE, THAT WE CLEARLY DELINEATE,
15 WHICH I AGREE WITH CLAIRE SO VEHEMENTLY ON THIS, WE
16 NEED TO DETERMINE WHAT WE WANT, AND LET'S SEE WHO
17 COMES. PUT OUT THE QUALIFICATIONS, PUT OUT THE
18 NATURE OF WHAT WE'RE WILLING TO PAY FOR THOSE
19 QUALIFICATIONS, AND SEE IF THERE'S A CANDIDATE THAT
20 EMERGES TO COME FORWARD TO ACCEPT THAT
21 RESPONSIBILITY.

22 I THINK THAT'S OUR RESPONSIBILITY AS A
23 BOARD, WHICH IS WHY I LIKE THE SHEEHY LANGUAGE
24 BECAUSE IT'S SORT OF LIKE IN THE MIDDLE. AND THAT
25 IS, IT PROVIDES US THE OPPORTUNITY TO DO WHAT WE'VE

BARRISTERS' REPORTING SERVICE

1 BEEN TALKING ABOUT, A QUASI OVERSIGHT, KEEPING THE
2 RESPONSIBILITIES THAT WE TALKED ABOUT BEFORE,
3 HOLDING ACCOUNTABLE THE STAFF, BUT REMOVING THE
4 BOARD AND MAKING SURE THAT FROM A TRANSPARENCY ISSUE
5 WE ARE NOT VIEWED AS MICROMANAGING THE ATTRIBUTES OR
6 THE TALENTS OR, QUITE FRANKLY, THE RESPONSIBILITIES
7 OF THIS AGENCY.

8 NOW, WE'VE DONE A LITTLE BIT OF THAT
9 ALREADY. THIS BOARD DELEGATED TO THE VICE CHAIR THE
10 ROLE OF GOVERNMENT RELATIONS. THAT WAS A DELEGATION
11 THAT WAS VERY BRIGHT ON YOUR PART. I'M KIDDING.
12 BUT AT THE END OF THE DAY --

13 CHAIRMAN KLEIN: IS THAT AN EXECUTIVE
14 FUNCTION?

15 MR. TORRES: BUT AT THE END OF THE DAY,
16 THAT WAS A SMART DELEGATION BECAUSE THAT ALLOWED
17 DUANE ROTH AND I TO WORK VERY WELL TOGETHER AND TO
18 MAKE SURE THAT WE EFFECTUATED THE CHANGE THAT YOU
19 GAVE US A CHARGE TO DO. SO WE'VE SORT OF DONE IT
20 ALREADY.

21 AND SO I THINK WE NEED TO LOOK AT, AGAIN,
22 THE SHEEHY LANGUAGE, AGAIN AT THE ISSUES THAT ARE
23 OUT THERE, AND THINK VERY SERIOUSLY WHEN WE PROVIDE
24 A RANGE OF SALARY TO A GOVERNOR AND LIEUTENANT
25 GOVERNOR AND A TREASURER AND A CONTROLLER, WHO WILL

BARRISTERS' REPORTING SERVICE

1 FACE ELECTION WITHIN THREE YEARS, WHAT THEY'RE GOING
2 TO CONSIDER AND WHAT THEY'RE WILLING TO PROPOSE.

3 CHAIRMAN KLEIN: THANK YOU. JEFF SHEEHY.

4 MR. SHEEHY: THANK YOU, ART. THANKS, BOB.
5 SO I DO PUT MYSELF ON THE SIDE, CLAIRE OR DUANE,
6 THAT WE REALLY SHOULD HAVE AN OVERSIGHT CHAIR. I'VE
7 SAID THAT BEFORE GOING BACK SEVERAL YEARS. IT'S
8 BEEN MY POSITION. BUT JUST IN TERMS OF WHAT WE'RE
9 DOING TODAY, I DON'T KNOW IF WE ARE GOING TO BREAK
10 THIS DOWN, BUT WHAT I REALLY THINK -- WE HAVE. WE
11 DID RANGES. YOU LOOK AT MY COMPROMISE MOTION.
12 THESE ARE BOTH RANGES AND ARE PERCENT OF EFFORT
13 STUFF. WHAT WE'RE BASICALLY CAPTURING ARE TWO
14 BINARY VISIONS FOR THIS ROLE. ONE IN WHICH WE HAVE
15 AN EXECUTIVE CHAIR THAT WORKS AT THE HIGH END OF THE
16 PERCENT EFFORT THAT'S GOING TO BE PAID AT THE HIGH
17 END OF THE SALARY RANGE, AND THE OTHER IS GOING TO
18 BE SOMEONE WHO'S PART TIME, THAT LEADS AN OVERSIGHT
19 EFFORT, AND IS GOING TO BE AT THE LOW END OF PERCENT
20 OF EFFORT IN THE SALARY RANGE.

21 SO TO SOME DEGREE WE CAN TRY TO DECIDE
22 THAT WE WANT TO GO ONE DIRECTION OR THE OTHER TODAY.
23 WE CAN STAY WITHIN THE CONTEXT OF THIS KIND OF DUAL
24 THING, BUT MAKE CLEAR, AS WE'RE SENDING OUR
25 INSTRUCTIONS FORWARD TO THE CONSTITUTIONAL OFFICERS,

BARRISTERS' REPORTING SERVICE

1 THAT THERE REALLY IS TWO CHOICES THAT THEY CAN MAKE.
2 AND I THINK THE CONTROLLER ACTUALLY HAS ALREADY
3 OPINED THAT THEY WOULD LIKE TO SEE AN OVERSIGHT
4 CHAIR.

5 BUT KIND OF TO BRING IT BACK TO WHAT ART
6 WAS TALKING ABOUT, IF SOMEONE NOMINATES SOMEONE TO
7 AN EXECUTIVE CHAIR, THEN I WANT TO SEE THAT PERSON
8 OUT THERE WITH ME. IF WE DO, IF THIS BOARD, GRANTED
9 IT WILL BE DIVIDED, BUT IF THIS BOARD DOES VOTE, I
10 THINK IT WOULD BE DIVIDED IN ANY INSTANCE, BUT IF IT
11 DOES VOTE FOR AN EXECUTIVE CHAIR, I WANT TO SEE THAT
12 CONSTITUTIONAL OFFICER OUT THERE STANDING WITH ME
13 WHEN WE HAVE TO JUSTIFY THIS SALARY. BUT I THINK WE
14 NEED TO BE VERY CLEAR THAT WE'RE REALLY NOT TALKING
15 ABOUT RANGES HERE. WE'RE TALKING ABOUT TWO
16 DIFFERENT VISIONS FOR WHAT THIS ROLE IS.

17 AND THE CONSTITUTIONAL OFFICERS, I DON'T
18 KNOW THAT AS A BOARD THAT WE'LL EVER REALLY -- IT'S
19 A LITTLE BIT DIVISIVE FOR US SINCE WE CAN'T REALLY
20 NOMINATE WHO WE CHOOSE, BUT THE CONSTITUTIONAL
21 OFFICERS MAY IN THEIR WISDOM DECIDE TO NOMINATE
22 SOMEONE WHO IS APPROPRIATELY AN EXECUTIVE CHAIR AND
23 TO NOMINATE SOMEONE WHO IS CLEARLY GOING TO BE AN
24 OVERSIGHT CHAIR, AND THEN WE COME TO THAT DECISION.
25 AND THEN WE CAN DECIDE DO WE WANT TO TAKE THE HEAT,

BARRISTERS' REPORTING SERVICE

1 AS SENATOR TORRES SAID, FOR A \$400,000 SALARY. DOES
2 THE CONSTITUTIONAL OFFICER WHO NOMINATED SOMEONE
3 WANT TO GET OUT THERE FOR HIS FRIEND, HIS NOMINEE,
4 AND SAY, YOU KNOW, I BELIEVE THIS IS WORTHWHILE.

5 SO I THINK WE REALLY HAVE A CHOICE RIGHT
6 NOW WHETHER WE CAN APPROVE THIS, APPROVE MY
7 COMPROMISE LANGUAGE, BUT MAKING IT CLEAR THAT THE
8 INSTRUCTION TO THE CONSTITUTIONAL OFFICERS ARE THAT
9 IN A WAY WE'RE SPLIT. AND PART OF THAT IS, AND
10 LET'S BE CLEAR WHY WE'RE SPLIT, I REALLY THINK WE
11 DON'T KNOW WHAT THE FUTURE IS, BUT WE KNOW WHAT THE
12 PAST IS. PART OF IT IS DUE TO OUR HIGH REGARD FOR
13 OUR CURRENT CHAIR AND THE EXTRAORDINARY JOB THAT
14 HE'S DONE. AND, YOU KNOW, I JUST THINK THERE MAY BE
15 A DIFFERENCE OF OPINION WHETHER THAT'S REPLICATABLE.
16 IF I THOUGHT THAT WE COULD CLONE BOB, I MIGHT GO FOR
17 AN EXECUTIVE CHAIR, AND THE PUBLIC -- TAKE IT UP
18 WITH THE PUBLIC. YOU KNOW, I DON'T THINK THAT
19 THAT'S POSSIBLE.

20 IN THAT FRAMEWORK I THINK OUR BEST
21 PRACTICE GOING FORWARD IS TO PUT IN PLACE A MORE
22 INTERCHANGEABLE PART, WHICH WOULD BE A NONEXECUTIVE
23 CHAIR LEADING AN OVERSIGHT BOARD WHERE ALL OF US
24 KIND OF PULL OUR WEIGHT AND TRY TO DO OUR JOBS AND
25 MAINTAINING OVERSIGHT, AND THE RUNNING OF THE AGENCY

BARRISTERS' REPORTING SERVICE

1 LIES FOR THE MOST PART WITH MANAGEMENT.

2 SO THAT'S MY TWO CENTS. I DON'T KNOW
3 WHERE WE'RE GOING TO END UP PROCEEDING, BUT I DO
4 THINK AT LEAST WE NEED TO BE CLEAR, NO MATTER WHAT
5 WE DO, THAT THIS IS NOT NECESSARILY A RANGE THAT
6 WE'RE TALKING ABOUT, BUT REALLY TWO DIFFERENT
7 VISIONS ALTOGETHER.

8 CHAIRMAN KLEIN: THANK YOU, JEFF. AND
9 WE'RE GOING TO GO TO DR. PIZZO. I WOULD JUST, IN
10 TERMS OF TERMINOLOGY, I WOULD SAY, ART, YOUR
11 DESCRIPTION OF A CHAIR THAT IS PUBLIC
12 COMMUNICATIONS, FINANCE, AND GOVERNMENT IS, IN FACT,
13 WHAT SOME PEOPLE CALL AN EXECUTIVE CHAIR AND OTHERS
14 ARE SAYING, BUT THEY'RE CERTAINLY NOT SAYING IT'S
15 PURELY AN OVERSIGHT CHAIR. SO WHAT YOU ARE
16 DESCRIBING IS AN EXECUTIVE CHAIR WITH OVERSIGHT --
17 THEY HAVE EXECUTIVE ROLES UNDER THE INITIATIVE, AS
18 YOU DISCUSSED, IN TERMS OF THE ORGANIZATION THAT WAS
19 PROPOSED BY DR. TROUNSON, AND IT HAS OVERSIGHT
20 FUNCTIONS AS WELL.

21 MR. TORRES: ON THOSE RESPONSIBILITIES.

22 CHAIRMAN KLEIN: ON THOSE RESPONSIBILITIES
23 EXACTLY.

24 MR. TORRES: THE REST REMAINS WITH THE
25 PRESIDENT.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: THAT'S RIGHT. OUTSIDE OF
2 THOSE AREAS OF RESPONSIBILITIES, IT REMAINS WITH THE
3 PRESIDENT, WHICH IS, IN FACT, PRETTY CLOSE TO WHERE
4 WE'VE BEEN OPERATING. SO, DR. PIZZO, YOU HAVE THE
5 FLOOR.

6 DR. PIZZO: THANK YOU, BOB. LIKE MANY OF
7 MY COLLEAGUES IN THE ROOM, I'VE HAD THE PRIVILEGE
8 AND HONOR TO BE PART OF THIS ORGANIZATION FROM ITS
9 INCEPTION, AND SO WE HAVE ALL WITNESSED THE JOURNEY
10 THAT WE'VE BEEN ON. JEFF, I HAD AN EXAMPLE GOING
11 THROUGH MY MIND WHICH YOU'VE CAPTURED, WHICH TO ME
12 REPRESENTS A BIT OF THE DICHOTOMY OF WHAT WE'RE
13 STRUGGLING WITH, WHICH IS DOES THE, USING THE
14 EUPHEMISM, THE PAST PREDICT THE FUTURE, OR ARE WE
15 GOING TO CREATE THE FUTURE DESPITE THE PAST. I'M
16 NOT SURE REALLY WHERE WE ARE IN THAT VENUE. I HAVE
17 A KIND OF PRACTICAL VIEW OF WHAT WE'RE FACING, AND
18 THAT IS THAT WE WANT THIS ORGANIZATION TO CONTINUE
19 TO SUCCEED. IT HAS MADE SUCH AN EXTRAORDINARY
20 DIFFERENCE THAT ALL OF US RECOGNIZE THAT OUR HIGHEST
21 PRIORITY IS TO ASSURE ITS CONTINUED SUCCESS.

22 AND ALL OF US KNOW, AND I THINK IT'S BEEN
23 STATED BY EVERYONE, THAT AS PART OF NOT ALWAYS BEING
24 ABLE TO REPLICATE THE PAST, WE'RE NOT GOING TO
25 REPLICATE PRECISELY THE LEADERSHIP, THE

BARRISTERS' REPORTING SERVICE

1 EXTRAORDINARY LEADERSHIP THAT BOB HAS BROUGHT FORTH.
2 AND SO FOR ME THE PRACTICAL ISSUE IS I WANT TO BE
3 SURE THAT WE FIND THE NEXT CHAIR WHO IS TRULY GOING
4 TO BE ABLE TO CONTINUE TO LEAD THIS EFFORT FORWARD.
5 AND I DON'T HAVE, SURPRISINGLY, A FIXED VIEW THAT IT
6 HAS TO BE ONE OR THE OTHER. IN ANY LEADERSHIP ROLE,
7 A LEADER DOES SHAPE AN ORGANIZATION, AND IN SOME
8 WAYS A DOMINANT LEADER COULD SUPPRESS INADVERTENTLY
9 OR EVEN ADVERTENTLY THE EMERGENCE OF LEADERSHIP
10 AMONG HIS OR HER CONSTITUENTS.

11 SO THE ROLE OF COMMITTEES AND CHAIRS OF
12 COMMITTEES CAN BE ALTERED AND BLUNTED DEPENDING UPON
13 WHAT, IF YOU WILL, AN EXECUTIVE LEADER DOES. I
14 THINK THAT THAT WOULD BE THE ARGUMENT THAT MIGHT
15 FLOW OF HAVING AN OVERARCHING EXECUTIVE LEADER WHO
16 WILL REALLY GOVERN ALL OF THE DIFFERENT
17 ORGANIZATIONS. AND I THINK BOB FRAMED IT CORRECTLY.
18 BECAUSE EVERYONE IS BUSY, THEY WILL IN SOME WAY OR
19 ANOTHER ALLOW THAT TO HAPPEN.

20 ON THE OTHER HAND, IF PEOPLE ARE EMPOWERED
21 IN ORGANIZATIONS TO BE ABLE TO TAKE UP A MANTLE OF
22 RESPONSIBILITY, IT IS OFTEN QUITE AMAZING TO SEE HOW
23 THEY RISE TO THAT LEVEL OF ACTIVITY. AND I THINK IN
24 MANY WAYS, THEREFORE, THE ACTIVITY OF THE
25 ORGANIZATION IS GOING TO BE INFLUENCED BY THE

BARRISTERS' REPORTING SERVICE

1 LEADER. AND FOR THOSE REASONS I HAVE, AND I'VE
2 STRUGGLED LIKE EVERYONE IN THIS ROOM, WITH WHAT THE
3 RIGHT PERCENTAGE OF ALLOCATION IS. AS IT TURNS OUT,
4 WE'VE GOT A RANGE OF 50 TO 80 PERCENT. THE ACTUAL
5 SORT OF MEDIAN OR MEAN THAT WE ALL CAME TO IS ABOUT
6 50 PERCENT, BUT I WON'T DEBATE WHETHER IT SHOULD BE
7 ONE OR THE OTHER.

8 I THINK THAT WHAT I WAS MOST CONCERNED
9 ABOUT, AGAIN, BEING PRACTICAL, IS TO MAKE SURE THAT
10 WE DON'T DISCOURAGE APPLICANTS WHO FEEL THAT THEY
11 COULD ONLY DO A FULL-TIME OR MORE THAN FULL-TIME
12 EFFORT OR THOSE WHO CAN ONLY DO MORE OF A HALF-TIME
13 EFFORT. WE WANT TO GET THE VERY BEST PERSON INTO
14 THIS ROLE.

15 AND I ACTUALLY THINK, AND I'M SENSITIVE TO
16 THE POINTS THAT ART RAISED ABOUT THE OPTICS OF THE
17 FUNDING, BUT I ACTUALLY THINK THAT THE FOUR CRITERIA
18 THAT WE HAVE WILL ALLOW US TO GO FORWARD AND SPEAK
19 TO THIS WITHOUT GETTING CAUGHT INTO THE TRAP OF
20 MAKING THIS, TO YOUR POINT, DAVID, A BINARY FUNCTION
21 OF WHETHER IT HAS TO BE ONE OR THE OTHER. I DO
22 THINK FINDING THE RIGHT LEADER IS THE MOST IMPORTANT
23 ISSUE. AND THEN HOPEFULLY WE'LL BE ABLE TO WORK
24 AROUND AND WITH THAT INDIVIDUAL AS WE GO FORWARD,
25 AND NEITHER BE SO OCCUPIED IN TRYING TO RECREATE OUR

BARRISTERS' REPORTING SERVICE

1 FUTURE BASED ON THE PAST OR BE NOT AWARE OF THE FACT
2 THAT THE FUTURE MAY BE VERY DIFFERENT FROM OUR PAST,
3 AND WE NEED A DIFFERENT PATHWAY TO GET THERE.

4 CHAIRMAN KLEIN: THANK YOU. OTHER BOARD
5 COMMENTS?

6 MS. SAMUELSON: THANK YOU, BOB. I
7 BASICALLY AM TRACKING WITH DR. PIZZO AT THIS MOMENT.
8 THE WAY I SEE IT, WE HAVE ONE RESPONSIBILITY, AND
9 THAT IS EVERY YEAR AND EVERY DAY, FRANKLY, WE NEED
10 TO KNOW WHAT WE CAN ACCOMPLISH AND SHOULD BE
11 ACCOMPLISHING AND HOW WE'RE GOING TO DO THAT.
12 MOSTLY IT'S A BLEND OF THOSE TWO. WHAT IS POSSIBLE?
13 AND HOW ARE WE GOING TO DO IT?

14 AND THEN I THINK WE LOOK FOR BRILLIANT,
15 DEDICATED LEADERS. AND I THINK IT COULD BE SOMEBODY
16 WHO'S IN THE RONALD REAGAN MODEL WHERE THEY DELEGATE
17 A LOT, AND IT COULD BE IN THE BILL CLINTON MODEL
18 WHERE THEY'RE IN THE MIDDLE OF EVERYTHING AND THEY
19 WAKE PEOPLE UP IN THE MIDDLE OF THE NIGHT. SO
20 THAT'S THE KLEINIAN MODEL.

21 AND ULTIMATELY WE AREN'T GOING TO BE ABLE
22 TO SHAKE THE FACT THAT WE'RE THE ONES THAT THE LAW
23 SAYS ARE ULTIMATELY RESPONSIBLE. I THINK IT WAS
24 DAVID THAT TALKED ABOUT THIS. IF THERE'S SOMEONE OR
25 MANY PEOPLE WHO DIE IN A CLINICAL TRIAL, WE'RE THE

BARRISTERS' REPORTING SERVICE

1 ONES WHO ARE GOING TO BE AWAKE IN THE MIDDLE OF THE
2 NIGHT BECAUSE WE'RE AWAKENED BY SOMEBODY OR BECAUSE
3 OUR OWN CONSCIENCE IS TORMENTING US. IF HISTORY
4 WRITES THE STORY OF OUR WORK AND SAYS THAT WE LET
5 SCIENTISTS DIDDLE AROUND WITH BASIC SCIENCE FOR
6 DECADES WHEN THEY MIGHT HAVE BEEN ABLE TO DO
7 SOMETHING ELSE, WE'RE THE ONES WHO ARE GOING TO BE
8 HELD ACCOUNTABLE.

9 AND IF SCIENCE AND IF HISTORY SAYS THAT WE
10 TOOK \$3 BILLION AND WE CHANGED THE PRACTICE OF
11 BIOMEDICAL RESEARCH AND WE SAVED MILLIONS OF PEOPLE
12 FROM SUFFERING, THEN WE'LL BE ABLE TO FEEL THAT
13 WONDERFUL FEELING OF ACCOMPLISHMENT. AND I THINK
14 WE'RE NOT GOING TO KNOW FOR A WHILE WHICH OF THOSE
15 IT'S GOING TO BE, BUT WE'RE THE ONES WHO ARE GOING
16 TO BE HELD RESPONSIBLE. SO WE HAVE TO STAY WITH
17 THIS, BUT I THINK WE COULD PICK A LEADER WHO'S IN
18 ANY MODEL. WE HAVE TO BE LOOKING AT WHO IS GOING TO
19 HELP US DO THOSE THINGS SO THAT WE ACTUALLY DO
20 ACCOMPLISH WHAT WE WANT TO. I THINK THE REST OF IT
21 IS INTERESTING, BUT I THINK IT'S SECONDARY.

22 CHAIRMAN KLEIN: I'D LIKE EVERYONE
23 LISTENING TO THIS BROADCAST TO KNOW THAT THIS BOARD
24 HAS GOT INDIVIDUALS OF GREAT PERSONAL INTEGRITY,
25 RESOURCEFULNESS, AND IDEAS. AND THOSE WHO THINK

BARRISTERS' REPORTING SERVICE

1 THAT THIS BOARD WORKS BY SOME TYPE OF BLOCK VOTING
2 SYSTEM ARE DELUDED. IT IS A PHENOMENAL GROUP OF
3 INDIVIDUALS WHO ARE HUGE RESOURCES TO THE STATE, AND
4 THEIR SACRIFICES ARE MAKING AN IMMENSE DIFFERENCE IN
5 THE QUALITY OF THIS AGENCY AND THE PERFORMANCE IN A
6 PARTNERSHIP WITH DR. TROUNSON AND THE SCIENTIFIC
7 STAFF AND THE ADMINISTRATIVE STAFF OF THIS AGENCY
8 ALONG WITH JAMES HARRISON AND THE OTHER LAWYERS AND
9 DEDICATED ASSISTANTS.

10 THE POINT WE'RE AT HERE IS WOULD WE HAVE A
11 MOTION, AT LEAST ON THE FIRST PART OF THIS, WHICH IS
12 WHAT THE --

13 MR. GOLDBERG: YES.

14 CHAIRMAN KLEIN: -- DESIRED SKILLS THAT
15 THE GOVERNANCE COMMITTEE RECOMMENDED.

16 MR. GOLDBERG: YES. I'D LIKE TO MAKE A
17 MOTION IN SUPPORT OF THE GOVERNANCE COMMITTEE'S
18 RECOMMENDATIONS. I THINK, IF I CAN OFFER SOME
19 EDITORIAL COMMENTARY, OUR JOB IS TO PROVIDE GUIDANCE
20 TO THE CONSTITUTIONAL OFFICERS. THE CONSTITUTIONAL
21 OFFICERS WILL CONSIDER THAT AND MAKE RECOMMENDATIONS
22 AS TO NOMINEES. AND WE THEN WILL HAVE AN
23 OPPORTUNITY FOR A VIGOROUS DISCUSSION IN LIGHT OF
24 SPECIFIC INDIVIDUALS AND THEIR ABILITY TO EXERCISE
25 THE CRITERIA THAT HAVE BEEN OUTLINED. BUT I THINK

BARRISTERS' REPORTING SERVICE

1 THE GOVERNANCE COMMITTEE HAS DONE A PHENOMENAL JOB.
2 I THINK THIS IS A VERY DIFFICULT PROCESS. I THINK
3 IT'S DIFFICULT BECAUSE WE'RE EVOLVING AND HAVE
4 EVOLVED AS AN ORGANIZATION. AND THE CRITERIA THAT
5 WERE APPROPRIATE FOR A CHAIR FOR THE FIRST SIX OR
6 SEVEN YEARS OF OUR LIFE ARE ENTIRELY RELEVANT TO
7 CONSIDER FOR THE NEXT SIX OR SEVEN YEARS OF OUR
8 LIFE, BUT NOT NECESSARILY PREDICTIVE. AND THAT'S
9 GOING TO BE AN ITERATIVE PROCESS THAT WE'RE GOING TO
10 HAVE TO EXERCISE OUR COLLECTIVE JUDGMENT, WHICH IN
11 THE PAST HAS PROVIDED COLLECTIVE WISDOM. I HAVE
12 CONFIDENCE IN ALL OF US TO BE ABLE TO DO THAT, AND I
13 HAVE CONFIDENCE IN THE CONSTITUTIONAL OFFICERS TO BE
14 ABLE TO FILL THE SLATE OF CANDIDATES FOR US TO
15 CONSIDER. AND I APOLOGIZE FOR THAT LONG WINDED...

16 CHAIRMAN KLEIN: SO YOUR MOTION IS
17 RECOMMENDATIONS 1 THROUGH 4.

18 MR. GOLDBERG: THAT'S CORRECT.

19 CHAIRMAN KLEIN: THE SECOND IS DR. LOVE.
20 AND IT'S 1 THROUGH 4; IS THAT CORRECT?

21 DR. LOVE: YES.

22 CHAIRMAN KLEIN: DISCUSSION ON THE MOTION.

23 MR. ROTH: I'M JUST GOING TO MAKE ONE PLEA
24 THAT WE OPEN THAT RANGE UP. I FULLY ALIGN WITH
25 MICHAEL, THAT LET'S SEE WHAT THE CANDIDATES ARE.

BARRISTERS' REPORTING SERVICE

1 BUT I WOULD ARGUE SOMETHING THAT PHIL SAID IN A
2 PREVIOUS MEETING, I DON'T REMEMBER IF IT WAS THE
3 SUBCOMMITTEE MEETING OR NOT, BUT I'D HATE TO SEE US
4 PASS ON CANDIDATES WHO WOULD DEDICATE A DAY A WEEK
5 TO THIS AGENCY. WE CAN ALWAYS DECIDE THAT'S NOT
6 APPROPRIATE. BUT I'D LIKE TO HEAR THEM SAY WHY THEY
7 THINK A DAY A WEEK IS SUFFICIENT. SO I WOULD
8 ARGUE -- I WOULD REQUEST THAT THAT RANGE BE OPEN TO
9 20 TO 80. IT COVERS ALL THE VOTES THAT WE'RE
10 TAKING. AND THEN WE CAN DO EXACTLY AS MICHAEL SAID,
11 LET THE CANDIDATES COME FORWARD, THE NOMINATIONS
12 WILL COME TO US, AND LET'S SEE WHAT. I'D LIKE TO
13 REQUEST THAT.

14 CHAIRMAN KLEIN: WE COULD HAVE A VOTE ON
15 THIS MOTION; AND IF IT DOESN'T PASS, WE COULD OPEN
16 IT TO A RANGE. BUT, MICHAEL, WHAT'S YOUR VIEW?

17 MR. GOLDBERG: PERSONALLY I WAS IN THE 20-
18 TO 50-PERCENT RANGE, SO I COULD EASILY ACCOMMODATE
19 DUANE'S POINT OF VIEW ON THIS. BUT I ALSO WANT TO
20 BE RESPECTFUL OF THE WORK OF THE GOVERNANCE
21 COMMITTEE. AND I'D LIKE TO ASK DR. POMEROY TO
22 COMMENT ON THAT ON BEHALF OF THE COMMITTEE.

23 DR. POMEROY: THE VOTE WAS QUITE SPLIT ON
24 THE PERCENT EFFORT. THERE WAS A UNANIMOUS VOTE ON
25 1, 2, AND 4, BUT THERE WAS QUITE -- THERE WAS ALMOST

BARRISTERS' REPORTING SERVICE

1 AN EVEN SPLIT, IT WAS FIVE TO THREE ON THE PERCENT
2 EFFORT. SO I THINK EXPANDING THE RANGE TO 20 TO 80
3 PERCENT, EVERYONE COULD, I BELIEVE, FIND THEMSELVES
4 IN THAT RANGE. SO I PERSONALLY WOULD BE MORE
5 COMFORTABLE IF WE OPENED UP THAT RANGE.

6 MR. GOLDBERG: SO I'D LIKE TO MODIFY THE
7 MOTION TO EXPAND THE RANGE.

8 CHAIRMAN KLEIN: AND THE SECOND, WHAT'S
9 YOUR DESIRE?

10 DR. LOVE: I'M CERTAINLY COMFORTABLE WITH
11 THAT. I WOULD SAY, PRACTICALLY SPEAKING, ONE DAY A
12 WEEK TO DO THE JOB THAT WE'RE DESCRIBING IS NOT
13 LIKELY TO BE DOABLE UNLESS IT'S AN EXTRAORDINARILY
14 FAST OPERATOR.

15 CHAIRMAN KLEIN: FORGET SLEEP. I ALSO
16 THINK IT SHORTCHANGES THE PEOPLE OF CALIFORNIA. IT
17 WAS NEVER INTENDED TO BE, AND THE INITIATIVE WAS NOT
18 WRITTEN TO ASSIGN RESPONSIBILITIES AND OVERSIGHT
19 ACCOUNTABILITY. ONE DAY A WEEK, I'M AFRAID, IS
20 PUTTING US AT GRAVE RISK. BASED UPON SIX AND A HALF
21 YEARS, I CAN TELL YOU IT WOULD BE A DISASTER FROM MY
22 PERSPECTIVE, BUT THAT'S FOR THE CONSTITUTIONAL
23 OFFICERS TO DECIDE AND THIS BOARD TO DECIDE.

24 SO MY UNDERSTANDING, THE MOTION IS GOING
25 TO BE AMENDED, AND LEAVES US WITH THE OPTION AND THE

BARRISTERS' REPORTING SERVICE

1 CONSTITUTIONAL OFFICERS WITH THE OPTION. OKAY.

2 MS. GIBBONS: JUST FOR CLARIFICATION, I
3 BELIEVE THIS TO BE THE CASE. THE CONSTITUTIONAL
4 OFFICERS, THOSE FOUR, HAVE COMPLETE AUTONOMY WITH
5 REGARD TO THE NOMINEES. THIS IS MERELY RECOMMENDED
6 GUIDELINES.

7 CHAIRMAN KLEIN: THIS IS JUST GUIDANCE TO
8 THEM. THEY CAN DECIDE WHAT THEY WANT TO DO. AND
9 THEY CAN MAKE NOMINATIONS THAT ARE A HUNDRED PERCENT
10 OR LESS THAN 20 PERCENT.

11 MR. HARRISON: JUST TO CLARIFY, IT'S THE
12 BOARD THAT'S EMPOWERED TO DETERMINE SALARY AND
13 PERCENT EFFORT FOR THE CHAIR. THE CONSTITUTIONAL
14 OFFICERS HAVE AUTONOMY WITH RESPECT TO WHOM THEY
15 NOMINATE PROVIDED THAT THE INDIVIDUAL MEETS THE
16 STATUTORY CRITERIA. BUT THE BOARD HAS THE
17 RESPONSIBILITY TO DETERMINE THE PERCENT EFFORT AND
18 THE SALARY.

19 MS. GIBBONS: WE CAN STILL, IF SOMEONE
20 SAYS THEY WANT TO WAIVE A SALARY, IF SOMEONE SAYS --
21 WE STILL HAVE ALL OF THOSE OPTIONS ON THE TABLE
22 REGARDLESS OF THE NOMINEES.

23 CHAIRMAN KLEIN: THAT'S RIGHT. AND WE CAN
24 CHOOSE NOT TO SUPPORT ONE NOMINEE AND TO SUPPORT
25 ANOTHER. WE'RE GOING TO HAVE A RANGE HERE.

BARRISTERS' REPORTING SERVICE

1 DR. PRICE: ONE COMMENT HERE. PRACTICAL
2 IMPLICATIONS OF THIS, AND THIS MAY BE FARFETCHED,
3 BUT I HAPPEN TO BE OF THE OPINION THAT SOMEBODY
4 WHO'S GOING TO DO THIS JOB ONE DAY A WEEK IS GOING
5 TO BE A REAL RISK TO THIS AGENCY. NOW, WHAT
6 HAPPENS, SO IF WE EXPAND THIS TO 20 TO 80 PERCENT
7 AND LET'S SEE WHAT FALLS OUT, AND WE CAN HAVE
8 CHOICES. WHAT HAPPENS IF EVERY ONE OF THESE
9 CONSTITUTIONAL OFFICERS OFFERS US A CANDIDATE WHO
10 WILL ONLY WORK ONE DAY A WEEK? AND THEN WE DON'T
11 HAVE ANY -- THEN WE'RE LOCKED IN. VOTE NO AND START
12 THIS WHOLE PROCESS ALL OVER AGAIN? THAT'S NOT A
13 FUTURE THAT I THINK WE OUGHT TO BE CONTEMPLATING.

14 MS. SAMUELSON: WHAT IF IT'S BILL CLINTON?
15 LET'S SAY HE NEEDS A JOB IN CALIFORNIA. FIRST OF
16 ALL, HE'D BE GIVING US 24 HOURS.

17 CHAIRMAN KLEIN: JUST AS A SUGGESTION, ONE
18 OF THE THINGS WE CAN DO TO REFINE THIS MESSAGE IS WE
19 CAN HAVE THIS MOTION AND THEN SEE IF THERE'S A
20 MOTION TO SEE WHAT PERCENTAGE OF THE MEMBERS OF THE
21 BOARD THINK THE JOB IS FROM 50 TO 80 PERCENT, SO
22 LEAVING THE OPTION OPEN TO THE CONSTITUTIONAL
23 OFFICERS FOR THE FULL RANGE. AND THEN WE CAN GET A
24 READING ON WHAT THE GROUP THINKS, IT'S 50 TO 80
25 PERCENT, AND THAT GIVES THEM MORE INFORMATION. THEY

BARRISTERS' REPORTING SERVICE

1 DON'T HAVE TO FOLLOW THAT GUIDANCE, BUT IT GIVES
2 THEM AND MORE INFORMATION. THAT'S AN OPTION.
3 FROM THE PUBLIC.

4 MR. REED: AS YOU KNOW, I WAS ONE OF THE
5 PEOPLE OUT IN THE STREETS GETTING SIGNATURES TO MAKE
6 THIS INCREDIBLE THING HAPPEN. I'VE ALWAYS FELT A
7 TREMENDOUS PRIDE IN ALL OF YOU, BUT I HAVE A SINKING
8 FEELING IN MY STOMACH RIGHT NOW. I FEEL WHAT YOU'RE
9 DESCRIBING IS A FIGUREHEAD. 20 PERCENT. I HAVE
10 PROBABLY BEEN TO MORE COMMITTEE MEETINGS THAN
11 ANYBODY IN THIS ROOM. WHEN I MADE -- I MADE A
12 COMMITMENT THAT I WOULD TRY TO COME TO EVERY
13 SUBCOMMITTEE MEETING, EVERY COMMITTEE MEETING. I
14 DIDN'T ALWAYS FAIL, BUT I TRIED. AND THERE ARE
15 WORLDS WITHIN WORLDS. AND IT TAKES WEEKS TO PREPARE
16 FOR ONE MEETING FOR THE THREE OR FOUR PEOPLE THAT
17 ARE ON THIS BOARD THAT ARE ON THAT MEETING. AND
18 ONLY ONE PERSON HAS BEEN ABLE TO BRING EVERYTHING
19 TOGETHER AND THAT'S BOB.

20 AND YOU'RE TELLING ME THAT WE'RE GOING TO
21 REPLACE HIM WITH A 20-PERCENT PERSON WHERE THE
22 PERSON'S GOING TO WORK FOR ONE DAY A WEEK. EVEN IF
23 80 PERCENT, THAT'S FOUR DAYS A WEEK. THAT'S ONE
24 MEETING PREPARATION. YOU GUYS ARE THE OVERSIGHT FOR
25 THE PUBLIC. THE CHAIR IS THE VOICE OF THE PUBLIC.

BARRISTERS' REPORTING SERVICE

1 GUTTING THE CHAIR'S RESPONSIBILITY IS TO GUT THE
2 INVOLVEMENT OF THE PUBLIC. THIS IS A TERRIBLE
3 MISTAKE. IF YOU ARE GOING TO OPEN UP THAT SALARY
4 RANGE TO 20 PERCENT, THEN YOU OWE IT TO MAKE IT 20
5 PERCENT TO A HUNDRED PERCENT BECAUSE NO MATTER WHO
6 YOU GET, IF THEY CARE, IF THEY LOVE THE SAME WAY
7 THAT YOU DO, IF THEY WOULD GIVE THEIR LIFE FOR THIS,
8 WHICH IS WHAT BOB HAS DONE, THEN YOU HAVE TO GIVE
9 THE OPTION TO WORK A HUNDRED PERCENT, AND YOU HAVE
10 TO PAY THEM ACCORDINGLY AND GIVE THEM THE
11 RESPONSIBILITY. DO NOT ABROGATE YOUR
12 RESPONSIBILITIES AS A BOARD. YOU ARE THE PUBLIC.
13 DO NOT GUT YOURSELF.

14 YOU HAVE SEEN THE FRICTION AND THE HASSLE
15 OF WORKING TOGETHER WITH CREATIVE PEOPLE, BUT THAT
16 CREATIVE SYNERGY HAS RESULTED IN A MIRACLE. CAN YOU
17 IMAGINE A MORE SUCCESSFUL THING? IS THERE ANY
18 GOVERNMENT BODY IN AMERICA OR THE WORLD THAT'S BEEN
19 MORE SUCCESSFUL? WHY MESS WITH SUCCESS? I DON'T
20 LIKE WHAT'S HAPPENING HERE AT ALL.

21 CHAIRMAN KLEIN: THANK YOU. I THINK WE
22 HAVE DR. RUTH HOLTON-HODSON. WOULD YOU LIKE TO MAKE
23 A COMMENT, PLEASE?

24 MS. HOLTON-HODSON: ACTUALLY I JUST HAVE A
25 PROCEDURAL QUESTION BECAUSE WE DON'T ACTUALLY HAVE

BARRISTERS' REPORTING SERVICE

1 OPINION ON 1 THROUGH 4, BUT WE OBVIOUSLY HAVE AN
2 OPINION ON 5. SO JUST WANTED TO KNOW WHEN SORT OF
3 IT'S APPROPRIATE SINCE YOU'RE DISCUSSING THE MOTION,
4 BUT OBVIOUSLY I DIDN'T KNOW WHETHER YOU WERE GOING
5 TO BE MOVING FORWARD.

6 CHAIRMAN KLEIN: WE WILL THEN SEPARATELY
7 ADDRESS ITEM 5. THANK YOU VERY MUCH. THANK YOU FOR
8 BEING HERE.

9 MR. SERRANO-SEWELL: I WOULD ASK THE MAKER
10 OF THE MOTION TO CONSIDER FURTHER AMENDMENT, 20 TO A
11 100 PERCENT. BY THE WAY, I THINK LOGICALLY IT'S
12 ALIGNED WITH WHAT DR. PIZZO HAS SAID. I WANTED TO
13 ARTICULATE THAT WHEN I SPOKE. HE SORT OF JUST
14 SAID -- WELL, I THINK EVERYBODY UNDERSTOOD WHAT HE
15 SAID. AND I THINK A HUNDRED PERCENT, IN MY OPINION,
16 FALLS WITHIN THAT.

17 DR. BRYANT: I THINK IF WE GO IN WITH 20
18 TO A 100 PERCENT, IT'S GOING TO LOOK PRETTY
19 RIDICULOUS AND UNDECIDED. I WOULD PREFER TO SAY
20 PERCENT TO BE DECIDED IN NEGOTIATIONS RATHER THAN
21 EXPRESS IT AS 20 TO A HUNDRED. IT'S JUST LIKE WHY
22 BOTHER. YOU MIGHT AS WELL SAY ZERO TO A HUNDRED.

23 CHAIRMAN KLEIN: SO ARE YOU ASKING THEM IF
24 THEY'LL WANT TO CHANGE THAT --

25 DR. BRYANT: FRIENDLY AMENDMENT.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: -- PERCENTAGE TO BE
2 NEGOTIATED BASED UPON THE BEST CANDIDATE FOR
3 LEADERSHIP?

4 DR. BRYANT: YES.

5 CHAIRMAN KLEIN: MR. GOLDBERG.

6 MR. GOLDBERG: I HAVE A PHILOSOPHICAL
7 PROBLEM WITH THAT, DAVID, BECAUSE I THINK THAT WE'RE
8 NOT IN OUR FIRST SIX YEARS OF THE AGENCY. WE'RE NOT
9 IN THE PERIOD OF TIME WHEN WE WERE GOING FROM ZERO
10 TO THE ESTABLISHMENT OF THE AGENCY. WE'RE CERTAINLY
11 GROWING IN DIFFERENT AREAS, AND THERE'S TREMENDOUS
12 AMOUNT OF ACTIVITY, BUT I'M ALSO A BELIEVER IN
13 MISSION CREEP. AND I'M ALSO A BELIEVER THAT THE JOB
14 WILL TAKE AS LONG AS THE TIME MADE AVAILABLE TO
15 CONDUCT IT, JUST THE WAY ANY MEETING WILL. THAT
16 WOULD, IN FACT, CAUSE ME TO GO BACK TO 50 TO 80.

17 SO I DON'T WANT THIS TO BE A NEGOTIATION.
18 AND WE COULD BE SILENT ON IT AND LET THE
19 CONSTITUTIONAL OFFICERS IN THEIR WISDOM REVIEW THE
20 RECORD, AND THEY'LL SEE WHAT IT WAS THAT THE
21 GOVERNANCE COMMITTEE RECOMMENDED. I GUESS I'M MORE
22 INCLINED TO STAY WITH 50 TO 80 THAN GO FROM 20 TO A
23 HUNDRED.

24 CHAIRMAN KLEIN: OKAY. DOES THE MAKER OF
25 THE SECOND WANT TO GO TO 50 TO 80 OR WHAT DO YOU

BARRISTERS' REPORTING SERVICE

1 WANT TO DO?

2 DR. LOVE: PERSONALLY I WAS HAPPIER WITH
3 50 TO 80. I EXPRESSED THAT. BUT I THINK
4 POTENTIALLY JUST BEING SILENT ON THIS IS APPROPRIATE
5 AT THIS POINT BECAUSE WHEN THE RANGE IS SO BROAD, AS
6 I THINK SUE SAID, IT KIND OF DOESN'T DO ANYTHING,
7 RIGHT? SO IF WE'RE GOING TO MAKE IT SUCH A BROAD
8 RANGE, WE MIGHT AS WELL BE SILENT ON IT.

9 MR. GOLDBERG: IT MAY BE THAT WE FIND THAT
10 THERE ARE FANTASTIC CANDIDATES WHO ARE AVAILABLE FOR
11 20-PERCENT TIME AND THERE ARE FANTASTIC CANDIDATES
12 WHO COULD ONLY BE AVAILABLE --

13 DR. PIZZO: CAN I MAKE A FRIENDLY
14 MODIFICATION TO THE FRIENDLY MODIFICATION? WHICH IS
15 AN AMALGAM BETWEEN WHAT I THINK SUE SAID AND WHAT IS
16 CURRENTLY ON THE TABLE. AND THAT IS, THAT WE SAY
17 SOMETHING ALONG THE LINE THAT OUR BEST ASSESSMENT IS
18 THAT THIS IS LIKELY TO BE A 50- TO 80-PERCENT
19 POSITION; BUT THAT IN DISCUSSIONS WITH CANDIDATES,
20 OTHER PERCENTAGES MAY BE DETERMINED BASED UPON THEIR
21 EXPERTISE AND QUALIFICATIONS.

22 CHAIRMAN KLEIN: OKAY. MR. GOLDBERG, IS
23 THAT ACCEPTABLE TO YOU?

24 MR. GOLDBERG: IT IS, BUT I WOULD LIKE TO
25 HEAR DR. POMEROY WHO WISHES TO COMMENT.

BARRISTERS' REPORTING SERVICE

1 DR. POMEROY: I'M NOT SURE WHICH FRIENDLY
2 AMENDMENT I'M COMMENTING ON, SO I'M JUST GOING TO
3 COMMENT.

4 MR. SERRANO-SEWELL: I'LL WITHDRAW MINE.

5 DR. POMEROY: I THINK THAT WE REALLY DON'T
6 HAVE AGREEMENT AMONG THE BOARD MEMBERS ABOUT WHAT
7 THE PERCENT EFFORT SHOULD BE. AND FAILING THE
8 ABILITY TO GET TO AN AGREEMENT, I WOULD SUPPORT THE
9 SUGGESTION THAT WE REMAIN SILENT ON THIS BECAUSE I
10 THINK IT COULD POTENTIALLY BE UNHELPFUL WHEN WE'RE
11 ATTEMPTING TO BE HELPFUL. SO MY SUGGESTION TO THE
12 MAKER OF THE MOTION WOULD BE THAT WE VOTE ON ITEMS
13 NO. 1, 2, AND 4 WHERE I DO THINK WE HAVE SOME
14 CONSENSUS.

15 DR. PIZZO: CLAIRE, I'M SORRY TO DISAGREE
16 WITH YOUR FRIENDLY, FRIENDLY, UNFRIENDLY AMENDMENT.
17 I'M WORRIED THAT IF ARE SILENT ON THIS, WE'RE BEING
18 TOO VAGUE AND NOT GOING TO HELP THE PRACTICAL
19 PROCESS THAT WE WANT OF SOLICITING CANDIDATES. I
20 THINK IT WOULD BE IMPORTANT TO GIVE SOME GUIDANCE.
21 THAT'S WHY I THINK THE OPPORTUNITY OF STATING
22 SOMETHING LIKE IN OUR CURRENT ASSESSMENT WE THINK
23 THIS IS THE RANGE. WE ARE CURRENTLY WITH A RANGE,
24 BUT THAT OTHER -- THAT THE COMMITTEE WILL BE OPEN TO
25 ADDITIONAL CONSIDERATIONS. AND THAT WAY WE'RE DOING

BARRISTERS' REPORTING SERVICE

1 TWO THINGS SIMULTANEOUSLY. WE'RE ACKNOWLEDGING THAT
2 WE CAN BE INFLUENCED BY THE QUALIFICATIONS OF THE
3 CANDIDATE, BUT WE'RE GIVING -- MY PRACTICAL ISSUE IS
4 REALLY MAKING SURE THAT WE STATE THIS IN A WAY THAT
5 ALLOWS INDIVIDUALS, THE BEST INDIVIDUALS, TO BECOME
6 INTERESTED IN THE POSITION. AND I THINK IT'S HARD
7 TO DO THAT WITHOUT SOME GUIDANCE IN THAT SPHERE.

8 CHAIRMAN KLEIN: SO I WANT TO TAKE THIS IN
9 SEQUENCE. MR. GOLDBERG, ARE YOU PREPARED TO ACCEPT
10 DR. PIZZO'S PROPOSAL?

11 MR. GOLDBERG: YES.

12 CHAIRMAN KLEIN: DR. LOVE, ARE YOU
13 PREPARED TO ACCEPT DR. PIZZO'S PROPOSAL?

14 DR. LOVE: I DEFINITELY AM.

15 CHAIRMAN KLEIN: OKAY. THAT BEING
16 ACCEPTED, I'D LIKE TO GO TO LEEZA GIBBONS AND THEN
17 DR. ECONOMOU.

18 MS. GIBBONS: JUST A COMMENT THAT BOB HAS
19 GIVEN 200 PERCENT, 2,000 PERCENT, WHATEVER, WE CAN'T
20 QUANTIFY HOW MUCH EFFORT HE HAS GIVEN. AND IT IS
21 SORT OF VERY DIFFICULT FOR US TO SAY ONE PERSON'S
22 100 PERCENT ANOTHER PERSON CAN DO IN 20 PERCENT.
23 AND THAT DOES COME DOWN TO THE INDIVIDUAL QUALITIES
24 AND CHARACTERISTICS OF THOSE NOMINEES. BUT I DON'T
25 THINK FOR A SECOND THAT ANYBODY ON THIS BOARD WOULD

BARRISTERS' REPORTING SERVICE

1 VOTE THROUGH A PERSON WHO WOULD SAY, YOU KNOW,
2 THAT'S BEYOND MY 20-PERCENT EFFORT. SO I'M SORRY
3 I'M NOT AVAILABLE TODAY. WE'RE JUST NEVER GOING TO
4 VOTE FOR THAT KIND OF A PERSON.

5 SO IT'S AN INDIVIDUAL INTERPRETATION OF
6 HOW MUCH. THEY MAY TELL YOU, OH, THIS IS ONLY 20
7 PERCENT, BUT YOU'RE THE KIND OF PERSON WHO'S ALWAYS
8 GOING TO GIVE A HUNDRED PERCENT. THAT PERCENT
9 EFFORT IS REALLY FOR THE GUIDELINES OF THE SLIDING
10 SCALE TO JUSTIFY SALARY RANGE, IT SEEMS TO ME, WHICH
11 IS IMPORTANT. BUT I'M NOT WORRIED ABOUT IT I GUESS
12 IS WHAT I'M SAYING BECAUSE I BELIEVE THAT WE WILL
13 VOTE IN THE KIND OF A PERSON THAT'S GOING TO LOOK AT
14 THAT.

15 AND TO YOUR POINT, DUANE, I THINK THAT IT
16 WILL OPEN UP THE FIELD FOR CANDIDATES. AND WE DO
17 WANT THE WIDEST FIELD POSSIBLE. I THINK THEN WE'LL
18 SEE WHO WE GET NOMINATED, AND I'M NOT VOTING FOR
19 SOMEBODY THAT'S GOING TO DO 20 PERCENT, DON, DON'T
20 YOU WORRY. DON'T YOU WORRY.

21 CHAIRMAN KLEIN: AND, LEEZA, JUST
22 FULFILLING, PREPARING FOR PEER REVIEW, JEFF PUTS
23 EXTRAORDINARY TIME IN PREPARING FOR PEER REVIEW.
24 AND THOSE OF US WHO SIT ON PEER REVIEW AND HIT EVERY
25 SESSION, JOAN PUTS MASSIVE AMOUNTS OF TIME IN JUST

BARRISTERS' REPORTING SERVICE

1 FOR PEER REVIEW. YOU PREPARE FOR PEER REVIEW. YOU
2 READ YOUR APPLICATIONS. YOU PREPARE FOR THESE BOARD
3 MEETINGS AND ALL OF THE MOTIONS AND ALL THE ISSUES.
4 IF YOU CAN DO IT IN 50 PERCENT, I'M ASTOUNDED. BUT
5 THAT BEING IT, WE'LL SEE WHAT WE COME UP WITH.
6 MIRACLES -- MY FIRM'S MOTTO IS A MIRACLE A DAY. SO
7 I'M A BELIEVER IN THE POSSIBLE, ALTHOUGH UNEXPECTED.

8 DR. ECONOMOU: I'M AFRAID THAT LEEZA JUST
9 SAID MORE ELOQUENTLY WHAT I WAS JUST ABOUT TO SAY,
10 IS THAT THE PRESIDENT AND ALL THE STAFF OF CIRM AND
11 THE CHAIR PROBABLY SPEND ABOUT 60 PLUS HOURS A WEEK
12 AND GET PAID FOR 40 HOURS A WEEK AND THAT'S BECAUSE
13 THEY'RE PASSIONATE ABOUT THE MISSION OF THIS
14 ORGANIZATION.

15 SO I WOULD JUST PUT DOWN THAT THESE ARE
16 MADE-UP NUMBERS, THAT BASICALLY THAT IF THEY SPEND
17 ANY LESS THAN 50 PERCENT OF THEIR LIFE DEALING WITH
18 THIS, THEN THAT'S NOT REALLY THE KIND OF PERSON WE'D
19 REALLY WANT TO HAVE INVESTED IN THIS ORGANIZATION.

20 CHAIRMAN KLEIN: THANK YOU. DR. LOVE.

21 DR. LOVE: I WAS JUST GOING TO MAKE A
22 COMMENT ABOUT WHAT DON REED SAID. I KNOW THAT WE
23 ARE VERY CONCERNED IN THIS FINANCIAL CLIMATE ABOUT
24 HOW WE COMPENSATE THIS INDIVIDUAL, BUT I WOULD SAY
25 THAT I THINK WE SPEND TIME FOCUS ON THE PEOPLE THAT

BARRISTERS' REPORTING SERVICE

1 ARE GOING TO HAVE A HARD TIME WITH THAT. AND I DO
2 THINK THAT THERE'S SOME PEOPLE WHO ARE NOT GOING TO
3 HAVE A HARD TIME WITH THAT. I THINK THERE ARE SOME
4 PEOPLE WHO REALLY WANT THIS AGENCY TO BE SUCCESSFUL,
5 TO BRING CURES. THE PUBLIC ENDORSED SPENDING \$3
6 BILLION. AND THE FACT THAT A SALARY THAT'S IN THE
7 RANGE OF WHAT WE PAY OTHER LEADERS IN CALIFORNIA
8 WOULD SET SOME PROPORTION OF THE PEOPLE OFF. I
9 UNDERSTAND THAT MAY BE TRUE, BUT I ALSO THINK IT
10 WILL SET SOME PROPORTION OF THE PEOPLE OFF IF WE
11 DON'T HAVE THE COURAGE TO PROPERLY PAY A LEADER THAT
12 COMES TO THIS WHO IS THE BEST LEADER AND WHO
13 REQUIRES COMPENSATION WHICH IS CONSISTENT WITH WHAT
14 WE PAY OTHER LEADERS.

15 CHAIRMAN KLEIN: THANK YOU. I'D LIKE TO
16 GO TO A VOTE HERE IF I CAN. JAMES, COULD YOU
17 RESTATE THE MOTION, PLEASE?

18 MR. HARRISON: YES. THE MOTION, AS I
19 UNDERSTAND IT, IS TO APPROVE THE GOVERNANCE
20 SUBCOMMITTEE'S RECOMMENDATIONS WITH RESPECT TO
21 DESIRED ATTRIBUTES, DESIRED SKILLS, AND THE SALARY
22 RANGE. BUT WITH RESPECT TO PERCENT EFFORT, TO
23 ADVISE THE CONSTITUTIONAL OFFICERS THAT OUR BEST
24 ASSESSMENT IS THAT THE PERCENT EFFORT REQUIRED FOR
25 THIS POSITION IS 50- TO 80-PERCENT TIME, BUT THAT WE

BARRISTERS' REPORTING SERVICE

1 ARE OPEN TO MODIFYING THAT BASED ON THE QUALITY OF
2 THE CANDIDATES AND THEIR ATTRIBUTES AND INTEREST.

3 DR. POMEROY: CAN I MAKE A COMMENT? I'M
4 GOING TO BE, I'M SURE, IN THE MINORITY OF THIS VOTE,
5 BUT I'D LIKE TO JUST EXPLAIN WHY I'M GOING TO VOTE
6 NO. AND IT'S ONLY FOR ONE TINY PIECE, WHICH IS THAT
7 WHILE I COULD SUPPORT POTENTIALLY UP TO 50 PERCENT,
8 I CAN'T SUPPORT AN 80-PERCENT POSITION BECAUSE I
9 THINK THAT SENDS A MESSAGE THAT THIS IS A FULL-TIME
10 JOB AND PERPETUATES THE CONFUSION BETWEEN THE ROLES
11 OF CHAIR AND PRESIDENT. I JUST WANTED TO EXPLAIN
12 THAT BIT AND NOT HAVE ANYONE THINK THAT I DIDN'T
13 SUPPORT THE REST OF THE MOTION. THANK YOU.

14 CHAIRMAN KLEIN: ALAN, DO YOU WANT TO MAKE
15 A STATEMENT?

16 DR. TROUNSON: I'D LIKE TO MAKE A
17 STATEMENT BECAUSE I THINK THERE'S -- AT LEAST SOME
18 OF THE DISCUSSION IS REALLY ABOUT THE RELATIONSHIP
19 BETWEEN PRESIDENT AND CHAIR. AND REALLY YOU KNOW
20 THAT I TOOK ON THIS JOB TO WORK WITH BOB KLEIN. I
21 DIDN'T TAKE IT ON TO WORK WITH A CHAIRMAN. I TOOK
22 IT ON TO WORK WITH BOB KLEIN, AND I'VE REALLY
23 ENJOYED THAT RELATIONSHIP. AND I THINK IT'S BEEN
24 VERY PRODUCTIVE. HE WON'T TURN UP -- IT WON'T BE
25 BOB KLEIN THE NEXT TIME.

BARRISTERS' REPORTING SERVICE

1 WHAT I WOULD SAY TO YOU IS THAT WE HAVE
2 THE CAPACITY TO WORK OUT THINGS IN A SENSIBLE WAY
3 MOST OF THE TIME, TO WORK OUT HOW TO PARTITION
4 CAPACITY. AND HAVING ART TORRES HERE, FOR EXAMPLE,
5 HERE ON THE LEGISLATIVE SIDE, IT WOULD BE CRAZY IF
6 YOU DIDN'T UTILIZE THAT AND IF YOU DIDN'T UTILIZE
7 THE EXPERTISE OF THE BUSINESS GROUPS AVAILABLE AND
8 SO ON AND SO ON. YOU HAVE TO UTILIZE THE BOARD.

9 I THINK IT'S IMPORTANT TO KNOW WHAT YOU
10 WANT REALLY IN THE SENSE OF WHETHER YOU WANT AN
11 EXECUTIVE CHAIR BECAUSE I DON'T KNOW WHO THIS PERSON
12 IS OR SOMEBODY WHO'S GOING TO BE AN OVERSIGHT
13 PERSON. I BELIEVE THE OVERSIGHT IN THE SENSE THAT
14 THERE'S A NECESSITY FOR OVERSIGHT IS REALLY, REALLY
15 CRITICAL. THE REST OF IT GETS WORKED OUT. AND THE
16 TROUBLE IS IF YOU HAVE EXECUTIVE FUNCTIONS, AND FOR
17 SOME REASON THE PRESIDENT AND THE CHAIR DON'T GET
18 ALONG AS WELL AS I GET ALONG WITH BOB KLEIN, YOU'RE
19 GOING TO HAVE PROBLEMS BECAUSE EVEN WE, BOB AND I,
20 HAVE HAD SOME DISAGREEMENTS WHICH HAVE NOT ALLOWED
21 US TO GET DECISIONS MADE IN GOOD TIME.

22 AND SO THAT'S WHAT I THINK IS REALLY
23 CRITICAL IS THAT YOU FOCUS ON WHAT'S REALLY
24 NECESSARY FOR THIS ACTIVITY. AND THEN YOU MAKE SURE
25 THAT THOSE PEOPLE DELIVER IT. WHATEVER YOU'VE GIVEN

BARRISTERS' REPORTING SERVICE

1 THEM TO DO, THEY'RE GOING TO DELIVER. IF YOU'VE GOT
2 A PRESIDENT WHO DOESN'T DELIVER, YOU SHOULD CHANGE
3 THAT PRESIDENT. BUT IF YOU HAVE ACTUALLY INVESTED
4 IN SOMEONE WHO'S GOING TO MANAGE TO LOOK AFTER THE
5 LEGISLATURE, WE'RE GOING TO HAVE TO SHIFT IT IF IT
6 DOESN'T WORK. AND IF YOU HAVE THE NEXT PERSON WHO'S
7 REALLY NOT THAT SKILLED IN FINANCE, YOU BETTER GET
8 IT BACK UNDER THE PRESIDENT AND MAKE SURE HE GETS
9 THE BEST POSSIBLE PERSON, CONSULTANTS AROUND TO DO
10 THE JOB BECAUSE THAT'S WHAT YOU REALLY WANT.

11 MY FEELING HERE IS YOU'VE GOT TO TAKE --
12 IT'S VERY DIFFICULT WITHOUT KNOWING WHO THESE PEOPLE
13 ARE, BUT I THINK YOU'VE TO GOT TO SAY THE MOST
14 IMPORTANT PART IS THE OVERSIGHT. AND THEN THE REST
15 OF IT YOU REALLY EXPECT THE LEADERS IN YOUR
16 MANAGEMENT AND ON YOUR BOARD TO GET THAT FIGURED OUT
17 PROPERLY. AND IF THEY DON'T, YOU SHIFT THEM AND YOU
18 GET SOMEBODY BETTER.

19 CHAIRMAN KLEIN: THANK YOU. WITH THAT,
20 I'D LIKE TO CALL THE QUESTION. WE'RE ABOUT TO LOSE
21 OUR QUORUM. IN FACT, WE HAVE SOME PEOPLE JUST
22 STAYING HERE FOR THIS VOTE. I THINK WE SHOULD DO A
23 ROLL CALL VOTE HERE. I THINK WE SHOULD DO A ROLL
24 CALL VOTE, PLEASE, TO GIVE THE BENEFIT TO INDIVIDUAL
25 EXPRESSION.

BARRISTERS' REPORTING SERVICE

1 MS. KING: ROBERT PRICE.
2 DR. PRICE: YES.
3 MS. KING: FLOYD BLOOM.
4 DR. BLOOM: YES.
5 MS. KING: SUSAN BRYANT.
6 DR. BRYANT: YES.
7 MS. KING: TED Krontiris.
8 DR. Krontiris: YES.
9 MS. KING: LEEZA GIBBONS.
10 MS. GIBBONS: YES.
11 MS. KING: MICHAEL GOLDBERG.
12 MR. GOLDBERG: YES.
13 MS. KING: SAM HAWGOOD.
14 DR. HAWGOOD: YES.
15 MS. KING: BOB KLEIN.
16 CHAIRMAN KLEIN: YES.
17 MS. KING: TED LOVE.
18 DR. LOVE: YES.
19 MS. KING: SHLOMO MELMED.
20 DR. MELMED: YES.
21 MS. KING: PHIL PIZZO.
22 DR. PIZZO: YES.
23 MS. KING: CLAIRE POMEROY.
24 DR. POMEROY: NO.
25 MS. KING: ELIZABETH FINI.

BARRISTERS' REPORTING SERVICE

1 DR. FINI: YES.
2 MS. KING: ROBERT QUINT.
3 DR. QUINT: NO.
4 MS. KING: DUANE ROTH.
5 MR. ROTH: NO.
6 MS. KING: JOAN SAMUELSON.
7 MS. SAMUELSON: NO, NOT THAT THERE AREN'T
8 GREAT THINGS ABOUT THIS.
9 MS. KING: DAVID SERRANO-SEWELL.
10 MR. SERRANO-SEWELL: YES.
11 MS. KING: JEFF SHEEHY.
12 MR. SHEEHY: NO.
13 MS. KING: OSWALD STEWARD, IF YOU'VE
14 REJOINED US.
15 DR. STEWARD: I HAVE. AND YES.
16 MS. KING: ART TORRES.
17 MR. TORRES: AYE.
18 MS. KING: JEANNIE FONTANA.
19 DR. FONTANA: HERE.
20 MS. KING: JAMES ECONOMOU.
21 DR. ECONOMOU: YES.
22 MS. KING: I WILL DEFER TO COUNSEL.
23 CHAIRMAN KLEIN: OKAY. ON NO. 5 WE'VE GOT
24 PEOPLE THAT HAVE TO LEAVE. WE'RE LOSING OUR QUORUM.
25 I WOULD MAKE A SUGGESTION THAT WE'VE HAD A GOOD

BARRISTERS' REPORTING SERVICE

1 DEBATE HERE. I DON'T THINK WE'RE GOING TO GET THE
2 EXACT ALLOCATION OF DUTIES FIGURED OUT UNLESS WE
3 KNOW THE CANDIDATES. BUT I'LL DEFER TO THE BOARD'S
4 WISDOM ON THIS.

5 MR. SHEEHY: WELL, WHAT IF WE JUST OFFER
6 MY MOTION, WHICH IS A COMPROMISE MOTION, SO WE HAVE
7 SOMETHING ON THE RECORD AND DO A QUICK VOTE. I'LL
8 MOVE THAT.

9 CHAIRMAN KLEIN: MR. HARRISON, JEFF'S
10 MOTION, CAN WE PUT THAT ON SCREEN?

11 MR. HARRISON: YES.

12 MR. SHEEHY: I CAN READ IT.

13 MR. HARRISON: CHAIR, FOR THE RECORD, THE
14 LAST MOTION PASSED BY A VOTE OF 17 YES TO FIVE NO.

15 CHAIRMAN KLEIN: OKAY. BASICALLY AS I
16 READ THIS MOTION, FROM AN INDIVIDUAL PERSPECTIVE, IT
17 SOUNDS VERY MUCH LIKE DR. PIZZO'S POSITION. YOU
18 LOOK FOR YOUR LEADERSHIP. YOU SEE WHAT THEIR SKILLS
19 ARE. AND THEN YOU DECIDE BASED UPON THOSE SKILLS
20 WHAT THE ALLOCATION OF RESPONSIBILITIES ARE.

21 IS THERE ANYONE WANTS TO -- JEFF, IS THAT
22 A MOTION TO APPROVE?

23 MR. SHEEHY: YES.

24 MR. TORRES: SECOND.

25 CHAIRMAN KLEIN: SECOND BY SENATOR TORRES.

BARRISTERS' REPORTING SERVICE

1 DISCUSSION. WE'VE HAD A ROBUST DISCUSSION THUS FAR.
2 DR. POMEROY. WE DO WANT TO MAKE SURE, RUTH, WE'RE
3 GOING TO HEAR FROM YOU.

4 DR. POMEROY: I APPRECIATE JEFF'S ATTEMPT
5 TO FIND A COMPROMISE, BUT I THINK THIS WORDING, FOR
6 ME, DOESN'T SEND A CLEAR MESSAGE. AND I THINK
7 EVERYONE KNOWS MY POSITION. I DON'T NEED TO TAKE
8 TIME TO REITERATE IT. BUT I JUST WANT TO SAY THAT
9 I'M NOT COMFORTABLE. YOU CAN'T SORT OF HAVE AN
10 OVERSIGHT ROLE AND THEN SAY AND ALSO IF YOU'VE GOT
11 THE SKILLS, WE'RE GOING TO LET YOU DO IT. SO I'M
12 NOT GOING TO VOTE FOR IT ON THIS BASIS.

13 CHAIRMAN KLEIN: OKAY. RUTH, PLEASE, I
14 KNOW YOU WANTED TO SPECIFICALLY ADDRESS THIS.

15 MS. HOLTON-HODSON: I APPRECIATE IT. RUTH
16 HOLTON-HODSON. I'M THE DEPUTY CONTROLLER FOR HEALTH
17 AND CONSUMER POLICY. AS THE CONTROLLER STATED IN
18 HIS LETTER, WHICH I ASSUME YOU'VE ALL SEEN NOW, HE
19 FEELS VERY STRONGLY THAT THE COMMITTEE REALLY TAKE
20 ADVANTAGE OF THIS WINDOW OF OPPORTUNITY AS YOU
21 TRANSITION TO A NEW CHAIR AND REDEFINE THE ROLE OF
22 THE CHAIR FROM A CO-EXECUTIVE MODEL TO AN OVERSIGHT
23 MODEL. I THINK WHILE THE CO-EXECUTIVE MODEL MAY
24 WELL HAVE BEEN WHAT YOU NEEDED TO BEGIN A START-UP
25 ORGANIZATION, YOU OBVIOUSLY NEEDED BOB'S TALENTS,

BARRISTERS' REPORTING SERVICE

1 AND HE'S DONE AN AMAZING JOB, AND THE CONTROLLER
2 CERTAINLY HAS BEEN VERY SUPPORTIVE OF HIS EFFORTS,
3 BUT WE'RE MOVING BEYOND A START-UP PERIOD. AND AS
4 CIRM MOVES INTO THIS NEXT PHASE OF ITS
5 ORGANIZATIONAL DEVELOPMENT, THE CONTROLLER BELIEVES
6 STRONGLY IT'S TIME TO LET THE MANAGEMENT MANAGE.

7 THE MOST IMPORTANT ROLE OF THE ICOC IS TO
8 PROVIDE INDEPENDENT OVERSIGHT OF CIRM'S MANAGEMENT.
9 THAT INDEPENDENT OVERSIGHT IS SEVERELY COMPROMISED
10 WHEN THE CHAIR ALSO SERVES AS THE CO-CEO.
11 RESTRUCTURING THE ROLE OF THE CHAIR FROM A CO-CEO TO
12 AN OVERSIGHT MODEL PROVIDES GREATER ACCOUNTABILITY,
13 STRENGTHENS THE INTEGRITY OF THE ICOC
14 DECISION-MAKING PROCESS, AND ASSURES TAXPAYERS THAT
15 THE BOARD AND CHAIR ARE EFFECTIVELY PERFORMING THEIR
16 OVERSIGHT ROLE.

17 AS THE CONTROLLER STATED IN HIS LETTER,
18 CALPERS AND CALSTRS BOTH HAVE POLICIES VOTING IN
19 SUPPORT OF SHAREHOLDER RESOLUTIONS THAT SEPARATE THE
20 CHAIR AND THE CEO OF CORPORATE BOARDS BECAUSE BOARD
21 INDEPENDENCE IS AT THE HEART OF EFFECTIVE GOVERNANCE
22 AND ACCOUNTABILITY. THE PUBLIC DESERVES NO LESS
23 FROM PUBLICLY FUNDED AGENCIES AND UNDOUBTEDLY
24 THOUGHT THAT INDEPENDENT OVERSIGHT IT WHAT THEY
25 WOULD BE GETTING FROM A BODY NAMED THE INDEPENDENT

BARRISTERS' REPORTING SERVICE

1 CITIZENS OVERSIGHT COMMITTEE.

2 I THINK IT IS REALLY IMPORTANT TO
3 EMPHASIZE THAT THE CONTROLLER IS NOT SAYING THAT
4 CIRM SHOULDN'T TAKE ADVANTAGE OF THE EXPERTISE OF
5 THE BOARD. AND, IN FACT, YOU ALL HAVE AMAZING
6 EXPERTISE IN YOUR PARTICULAR FIELDS, AND THAT'S WHY
7 YOU ARE ON THE BOARD. AND IN MOST ORGANIZATIONS,
8 THE PRESIDENT AND STAFF TAKE ADVANTAGE OF THE
9 EXPERTISE, BUT IT IS DIFFERENT TAKING ADVANTAGE OF
10 THE EXPERTISE RATHER THAN HAVING THAT EXPERTISE PLAY
11 AN OPERATIONAL FUNCTION.

12 AND SO I KNOW YOU ARE SHORT ON TIME, SO
13 JUST LET ME AGAIN URGE YOU TO TAKE ADVANTAGE OF THIS
14 OPPORTUNITY TO REFORM CIRM'S GOVERNANCE STRUCTURE
15 AND ADOPT THE BEST PRACTICES OF BOARD GOVERNANCE,
16 AND THAT IS A CHAIR THAT IS SEPARATE FROM
17 MANAGEMENT. THANK YOU.

18 CHAIRMAN KLEIN: THANK YOU, RUTH.
19 HOPEFULLY PEOPLE DON'T ATTRIBUTE TO ME A GREATER
20 ROLE THAN I'VE ACTUALLY HAD. I DON'T SEE MYSELF AS
21 A CO-CEO. I SEE ALAN AS REALLY RUNNING THE CORE
22 MISSION OF THIS, WHICH IS SCIENTIFIC. AND PURSUANT
23 TO THE INITIATIVE, EXECUTIVE FUNCTIONS BEING LIMITED
24 TO THE GOVERNMENT, PUBLIC COMMUNICATIONS, AND THE
25 LEGAL, FINANCE AREA BEING A FOCUSED AREA THAT IS NOT

BARRISTERS' REPORTING SERVICE

1 ONE THAT SCIENTISTS ARE INDEPENDENTLY TRAINED IN IN
2 A GREAT DEAL OF DEPTH UNLESS THEY'VE HAD SUBSTANTIAL
3 FOCUS ON THAT DURING THEIR CAREERS.

4 SO I'D LIKE TO SAY PLEASE REALIZE THAT THE
5 LEADERSHIP ON THE CORE MISSION IS DR. TROUNSON, AND
6 HIS SCIENTIFIC VISION AND LEADERSHIP IS THE REASON
7 THAT I REACHED OUT TO RECRUIT HIM FROM AUSTRALIA.
8 SO WE NEED TO GIVE THE CREDIT WHERE THE CREDIT IS
9 DUE, AND WE GREATLY APPRECIATE HIS LEADERSHIP.

10 SO WITH THAT, I'D LIKE TO SEE IF I CAN
11 CALL THE QUESTION THAT'S BEFORE US. CAN WE HAVE A
12 ROLL CALL VOTE, PLEASE.

13 MS. KING: ROBERT PRICE.

14 DR. PRICE: I ABSTAIN ON THIS ONE.

15 MS. KING: FLOYD BLOOM.

16 DR. BLOOM: NO.

17 MS. KING: SUSAN BRYANT.

18 DR. BRYANT: NO.

19 MS. KING: TED Krontiris.

20 DR. Krontiris: ABSTAIN.

21 MS. KING: LEEZA GIBBONS.

22 MS. GIBBONS: YES.

23 MS. KING: MICHAEL GOLDBERG.

24 MR. GOLDBERG: NO.

25 MS. KING: SAM HAWGOOD.

BARRISTERS' REPORTING SERVICE

1 DR. HAWGOOD: YES.
2 MS. KING: BOB KLEIN.
3 CHAIRMAN KLEIN: YES.
4 MS. KING: TED LOVE.
5 DR. LOVE: YES.
6 MS. KING: SHLOMO MELMED.
7 DR. MELMED: ABSTAIN.
8 MS. KING: PHIL PIZZO.
9 DR. PIZZO: NO.
10 MS. KING: CLAIRE POMEROY.
11 DR. POMEROY: NO.
12 MS. KING: ELIZABETH FINI.
13 DR. FINI: NO.
14 MS. KING: ROBERT QUINT.
15 DR. QUINT: NO.
16 MS. KING: DUANE ROTH.
17 MR. ROTH: YES.
18 MS. KING: JOAN SAMUELSON.
19 MS. SAMUELSON: YES.
20 MS. KING: DAVID SERRANO-SEWELL.
21 MR. SERRANO-SEWELL: YES.
22 MS. KING: JEFF SHEEHY.
23 MR. SHEEHY: YES.
24 MS. KING: OSWALD STEWARD.
25 DR. STEWARD: YES.

BARRISTERS' REPORTING SERVICE

1 MS. KING: ART TORRES.

2 MR. TORRES: AYE.

3 MS. KING: JEANNIE FONTANA.

4 DR. FONTANA: YES.

5 MS. KING: JAMES ECONOMOU.

6 DR. ECONOMOU: NO.

7 CHAIRMAN KLEIN: SO GIVEN THE GROUP THAT
8 VOTED FOR OR AGAINST, I'M NOT SURE I KNOW WHAT IT
9 MEANS.

10 DR. PRICE: MEANS MANY THINGS.

11 DR. PIZZO: WE'RE ALL UNITED HERE.

12 CHAIRMAN KLEIN: THERE WERE TWO FACTIONS
13 THAT SPLIT AND JOINED TOGETHER ON YES AND JOINED
14 TOGETHER ON NO. SO I THINK WE'RE GOING TO HAVE A
15 VERY --

16 MR. HARRISON: THE MOTION CARRIES WITH
17 ELEVEN YES VOTES, EIGHT NO VOTES, AND THREE
18 ABSTENTIONS.

19 CHAIRMAN KLEIN: THANK YOU. WE'LL LEAVE
20 IT TO THE CONSTITUTIONAL OFFICERS TO FIGURE OUT WHAT
21 IT MEANS.

22 MR. ROTH: IT SOUNDS LIKE IT'S NOT
23 PERFECT.

24 DR. POMEROY: I WOULD JUST LIKE TO QUOTE
25 BOB KLEIN. ONCE AGAIN, THIS SHOWS THAT WE ARE NOT A

BARRISTERS' REPORTING SERVICE

1 RUBBER STAMP BOARD.

2 CHAIRMAN KLEIN: OKAY. SO, COUNSEL, HAVE
3 WE FINISHED THE AGENDA, OR WE HAVE TRAILING ITEMS?

4 MR. HARRISON: IN TERMS OF ACTION ITEMS,
5 CHAIR, WE'VE COMPLETED THE AGENDA. YOU DID PROMISE
6 THAT WE WOULD RETURN TO THE PRESIDENT'S REPORT.

7 CHAIRMAN KLEIN: YES. SO ON THE EXTERNAL
8 REVIEW COMMITTEE REPORT, WE WANTED TO MAKE SURE IF
9 THERE WERE PUBLIC COMMENTS IN PARTICULAR OR BOARD
10 COMMENTS, THAT THOSE WOULD HAVE AN OPPORTUNITY. ON
11 THE EXTERNAL REVIEW, IS THERE ANYONE IN THE AUDIENCE
12 WHO WOULD LIKE TO MAKE COMMENTS ON THE PRESIDENT'S
13 REPORT ON THE EXTERNAL REVIEW? NO.

14 IS THERE ANYONE ON THE BOARD THAT WOULD
15 LIKE TO MAKE COMMENTS AT THIS TIME ON THE EXTERNAL
16 REVIEW?

17 MR. SHEEHY: JUST IT WOULD BE HELPFUL TO
18 HAVE A CLEAR IMPLEMENTATION PATH BY WHICH THE BOARD
19 CAN LOOK AT THE ELEMENTS AND THEN APPROVE AND OFFER
20 INPUT. I THINK STAFF HAS DONE A GREAT JOB IN
21 RESPONDING, BUT JUST SO THAT THERE'S A CLEAR SENSE
22 OF THE BOARD, ESPECIALLY SINCE, AS ART ALLUDED TO,
23 THERE IS AN ALLOCATION OF MONEY CONTAINED WITHIN
24 HERE SO THAT WE CAN KIND OF EXAMINE BECAUSE THERE'S
25 A LOT OF PIECES HERE, BUT MAYBE OVER TIME THE

BARRISTERS' REPORTING SERVICE

1 VARIOUS PIECES CAN BE BROUGHT BACK AND WE CAN
2 CONSIDER APPROVAL, ETC.

3 CHAIRMAN KLEIN: ALL RIGHT. SENATOR
4 TORRES ASKED FOR SPECIFIC ITEMS BE BROUGHT BACK FOR
5 ACTION IN THE MAY AGENDA, AND HOPEFULLY AT THAT
6 TIME, DR. TROUNSON, YOU CAN SUGGEST SEQUENCING SOME
7 OF YOUR NEXT SET OF PRIORITIES.

8 DR. TROUNSON: THANK YOU VERY MUCH. WE
9 WANTED TO GET A SENSE IF YOU FELT THAT SOME OF IT
10 WAS INAPPROPRIATE AND IF THERE WAS SOME PRIORITIES
11 HERE. I THINK WE RECOGNIZE THAT WE HAVEN'T OUTLINED
12 THE PROCESS OF IMPLEMENTATION AS YET. WE JUST
13 BASICALLY PROPOSED -- GAVE YOU A SENSE OF WHAT WE
14 WOULD DO IN BROAD STROKES. SO WE NEED TO BRING BACK
15 NOW A PROPOSED IMPLEMENTATION FOR SPECIFIC MATTERS.
16 AND THAT WILL TAKE TIME, I THINK, AS WE MOVE THROUGH
17 THEM BECAUSE THERE ARE LOT OF ISSUES THERE. AND WE
18 NEED TO BRING THEM ON A REGULAR BASIS, I BELIEVE,
19 AND I INTEND TO DO UNLESS I'M DISSUADED FROM TAKING
20 THAT PATH.

21 SO THE NEXT TIME WE WILL BRING SOME
22 SPECIFIC RECOMMENDATIONS ON PROCESS, ADDRESSING THE
23 MATTERS THAT ART TORRES IDENTIFIED TO YOU, IN MAY,
24 AND THEN WE'LL START TO BRING OTHERS THROUGH TO YOU
25 AT EACH OF THE MEETINGS OR IN BETWEEN, IF YOU WISH.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: OKAY. THANK YOU.
2 ADDITIONAL BOARD QUESTIONS? WITH THAT, I THINK
3 WE'VE HAD COMMENT FROM THE PUBLIC, AND I THINK WE'RE
4 PREPARED TO ADJOURN. WE, AGAIN, THANK YOU FOR THE
5 BOARD'S DEDICATION. AGAIN, YOU ARE DOING
6 EXTRAORDINARY CONTRIBUTIONS IN YOUR OTHER ROLES IN
7 LIFE. AND WE DEEPLY APPRECIATE THE TIME YOU'RE
8 SPENDING MOVING THIS AGENCY FORWARD, AS THE
9 EVALUATION REPORT SAID, IN A REMARKABLY SHORT TIME,
10 MAKING TREMENDOUS ACHIEVEMENTS FOR STEM CELL
11 RESEARCH AND SCIENCE IN GENERAL IN CALIFORNIA FOR
12 THE BENEFIT OF EVERYONE IN THE WORLD. THANK YOU.

13 (APPLAUSE.)

14 (THE MEETING WAS THEN ADJOURNED AT
15 03:18 P.M.)

16
17
18
19
20
21
22
23
24
25

BARRISTERS' REPORTING SERVICE

REPORTER'S CERTIFICATE

I, BETH C. DRAIN, A CERTIFIED SHORTHAND REPORTER IN AND FOR THE STATE OF CALIFORNIA, HEREBY CERTIFY THAT THE FOREGOING TRANSCRIPT OF THE PROCEEDINGS BEFORE THE INDEPENDENT CITIZEN'S OVERSIGHT COMMITTEE OF THE CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE IN THE MATTER OF ITS REGULAR MEETING HELD AT THE LOCATION INDICATED BELOW

SAN FRANCISCO AIRPORT MARRIOTT WATERFRONT
1800 OLD BAYSHORE HIGHWAY
BURLINGAME, CALIFORNIA
ON
THURSDAY, MARCH 10, 2011

WAS HELD AS HEREIN APPEARS AND THAT THIS IS THE ORIGINAL TRANSCRIPT THEREOF AND THAT THE STATEMENTS THAT APPEAR IN THIS TRANSCRIPT WERE REPORTED STENOGRAPHICALLY BY ME AND TRANSCRIBED BY ME. I ALSO CERTIFY THAT THIS TRANSCRIPT IS A TRUE AND ACCURATE RECORD OF THE PROCEEDING.

BETH C. DRAIN, CSR 7152
BARRISTER'S REPORTING SERVICE
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